Supplement Featuring Steel and Construction Industry Pages 17-24

Supplement Featuring Pulp and Paper Convention Pages 29-32

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Canadian Mining News Department Page 27

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The Nation's Business

Prime Minister is Practical Traveller
British Trade Delegation to Canada
Compulsory Pool Amazing Plan

MR. BENNETT TRAVELS

THERE is a tendency to criticize Mr. Bennett for making a personal trip to Washington to confer with President Hoover and other United States statesmen and officials. He is pictured, in some quarters, as going to Washington to take his orders from the head of the United States Government.

Among business men there will be satisfaction that the head of our country's administrative institutions should adopt such a direct and practical way of conferring with the heads of our neighbor government as visiting them in their own offices. It is with the United States that our most extensive economic and social relations exist. This is not to be deplored or to be lauded but merely to be recognized. In the business world it is considered proper and efficient to maintain complete frankness and understanding with those with whom relations are had. It is the same in government.

* * *

BOTH Mr. Bennett and Mr. Hoover thoroughly honest, sincere men trying, each to serve his country to best advantage, despite numerous political and economic difficulties that make their tasks unenviably difficult. Each one has the desire to promote unity and understanding between these two countries. Each one finds many causes for friction in that relationship. Each one is endeavoring to remove those causes of friction. Personal discussion is the best means to this end.

In the past European monarchs made state visits upon each other and these visits were arranged for purposes of propaganda by the powers behind the various thrones who were quietly working to gain advantages at the expense of other countries. The royal visits had no practical business significance. Between Hoover and Bennett it is entirely different. The effect of these visits on public imagination is of less importance than the understandings quietly arrived at. Mr. Bennett's policy is a sound one and worthy of support.

* * *

A DELEGATION FROM BRITISH INDUSTRY

CANADA will be visited this spring by a delegation of three or four of the more prominent industrialists of Great Britain, representing the Federation of British Industries, and headed by Sir James Lithgow, chairman of that organization. In Canada, these British manufacturers will confer with Canadian manufacturers to "explore the possibilities of co-operation between Canadian and British industrialists." Admitting the inherent right of the Canadian manufacturers to supply so far as possible, the Canadian market, the F. B. I. delegates will attempt to see how large a field that still leaves for the British manufacturer and how goods now imported from foreign countries by Canada can be replaced by British goods.

* * *

THE delegation forecasts no revolutionary changes as a result of its studies. There is a tendency at times to exaggerate the immediate results that may be expected from visits of this kind. Yet the sending of the delegation to Canada is a practical effort that should be of value in supplying material for study not only by business men but by statesmen who will attend the forthcoming adjourned Imperial Economic Conference in Ottawa to be held probably in August.

The Imperial Economic Conference in London showed that governments can not be relied upon to solve the industrial and business problems of the Empire. Business men must not only give leadership but do most of the work. It will be found that co-operative rationalization between Britain and Canada can not well be fostered by signed agreements but will develop on such lines as are dictated by the free play of economic forces. But the study by British and Canadian business men of these forces will be useful.

Canadian business men will cooperate fully with Sir James Lithgow and his associates.

* * *

COMPULSORY POOLING AN AMAZING PLAN

THE attempt now being made in western Canada to enforce compulsory pooling of grain is one of the most extraordinary developments of the western wheat pools. That a group of men, after having made a failure of the management of the voluntary pool, should ask legislatures to force all the grain of the country into their hands for management would be incredible if it were not taking place. The argument for compulsion is essentially this: "We thought that a voluntary pool on a contract basis would result in higher prices for wheat, but we have been unable to maintain prices because of the existence of wheat outside of the pool. Give us all the wheat and see what we can do."

The very magnitude of the disaster which has overtaken the pools has contributed to the present state of affairs. The heads of the pools have abandoned hope of continuing things as they were, and in fact the doctrine is being preached that the pools cannot survive in competition with an open market system. They are staking all on a desperate throw in which the alternatives are domina-

(Continued on page 2, col. 4)

BELL 'PHONE STOCK RIGHTS MAY BE GIVEN

Financing Necessary Part of Programme for This Year

$20,000,000 OUTLAY

Two Bond Issues in 1930 Leads to Belief That Stock Rights Will be Next

From Our Own Correspondent

MONTREAL.—Further financing will likely be undertaken shortly by the Bell Telephone Co. of Canada to provide funds for carrying out proposed improvements and extensions to telephone facilities in 1931.

Capital raised on the last two occasions was through the sale of bonds. Following its usual practice of maintaining a close relationship between bonds and stock in the capital set-up, it is possible that the new money will be raised through an offering of stock rights.

Last year the company spent between $20,000,000 and $25,000,000 on capital account. The necessary funds were provided through three sources, namely, banks, stocks and bonds. At the end of 1929 the company showed on its books bank loans totalling $6,100,000.

Offered Stock in 1929

In August, 1929, 140,000 shares of stock were offered to the shareholders at $125 each. Only one payment was made in that year. Two installments of $83.85 in all were made in 1930, the first on February 1 and the second on April 1. This gave the company $11,739,000 of additional capital.

Following up this, the company issued $5,000,000 of bonds in February and another lot of $7,500,000 in June.

As a result of this financing, the treasury was enriched to the extent of $24,239,000. Ordinarily this would be enough to take care of the capital outlay during the past year, but insufficient to clear up the bank loans, which were made largely on capital account.

Need $20,000,000 More

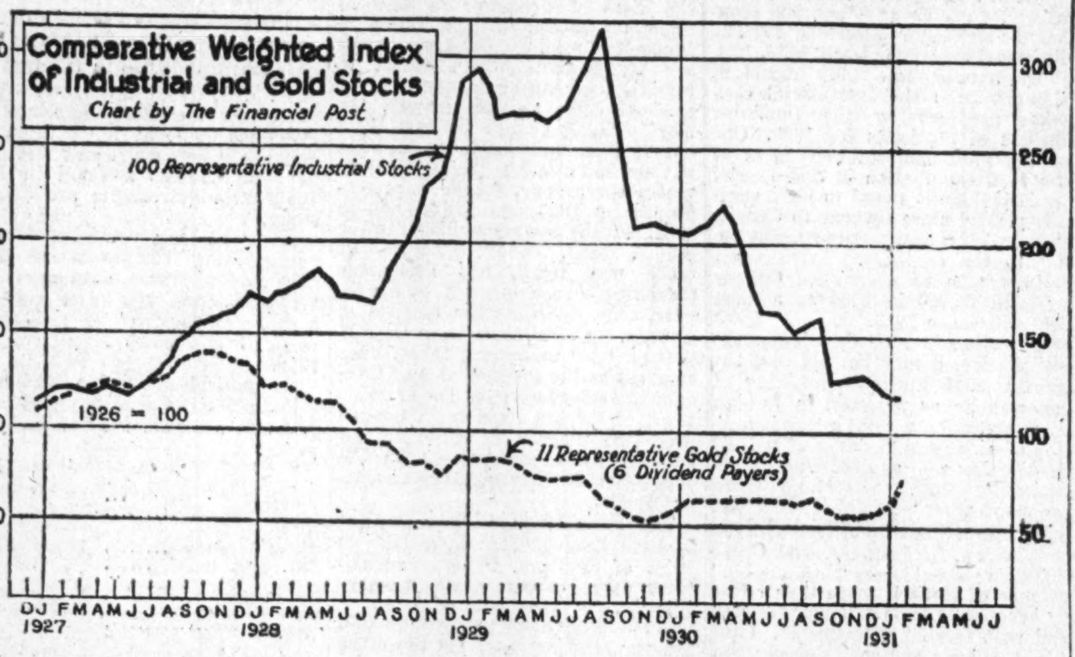
The programme for 1931 calls for an outlay of $20,000,000 on improvements, extensions and new equipment. This amount will be distributed roughly as follows: Central office equipment, $5,700,000; long distance or outside plant, $2,695,000; exchange lines, $4,260,000; land and buildings, $1,000,000 and subscribers' station equipment, $5,850,000.

To raise this money the company can either issue more bonds, or, as in 1929, allot additional shares to the common stockholders. The bond market of late has shown signs of strengthening and the company could secure capital through this medium at a fairly attractive rate.

If the management follows its usual practice, however, a new stock

(Continued on page 2, col. 6)

Index Clearly Shows Upturn in Gold Stocks



Gold stocks have shown marked strength since the first of the year despite the continued decline in the prices of most industrial stocks. The Financial Post reproduced this chart on January 1, and at that time directed attention to the strong position of this group of securities.

WASHINGTON SEES WHEAT LOWER IN '31

Annual Agricultural Report Tells No Farm Board Secrets

From Our Own Correspondent

WASHINGTON.—Another year of low wheat prices is in prospect, the U. S. Department of Agriculture states in its annual outlook report for agriculture for 1931, issued this week.

"As indications point to a continuation of burdensome world supplies, wheat prices in the United States next summer may be below the levels which prevailed last summer," the department says.

In preparation for this report, agricultural economists from state departments and colleges of agriculture were called to Washington to give their own estimates of possibilities. Concensus of opinion of all these is embodied in the department's statement on the outlook.

No Farm Board Comment

There is nothing in the report which would indicate any possibilities regarding action of the Federal Farm Board, a topic about which everyone in the grain trade is speculating. Chairman Legge and others have said many times that if the farmers of the United States will not co-operate with the Board in its programme of reducing production in this country to domestic consumption requirements, there is nothing the Board can do to further assist the farmer. Price-holding operations they say, cannot persist in the face of an increasing output which if sold abroad, must be offered at world prices.

Mr. Legge repeated this Farm Board stand in a recent speech and his statements gave rise to a belief

(Continued on page 3, col. 3)

WARNS OF COST OF WORKMEN'S COMPENSATION

C. M. A. President Points Out Public Pays for Insurance

By ELMER DAVIS,*
President, Canadian Manufacturers' Ass'n.

In the province of Ontario the Workmen's Compensation Act will shortly be reviewed before a Commission, according to recent announcement. Certain interests are asking for substantial changes in the Act. One is the increase of the percentage of payment from 66 2/3 per cent to 75 per cent, another is the maximum wage base from $2,000 to $2,500. Other changes are also suggested which will add materially to the expense involved in the operation of the Act. I desire to make it clearly understood that I am not in any sense objecting to the principle involved in the Workmen's Compensation Act; this is a matter which was long ago determined and which is not a matter of debate at the present time, but there are two features in connection with this matter that I think the public should understand more fully than I believe they have ever understood them in the past.

Public Pays Cost

The public should know that they are paying the cost of the operation of the Workmen's Compensation Act. In the earlier days it was represented that if this act went into force the manufacturers would pay, but from time to time the basis has been changed, the cost of the act has been increased, and it has come to the point long ago where manufacturers are taking this as one well recognized item in their cost of production, and are charging it into their costs, and the purchasing public are paying the bill in the cost of their goods. If the public of Ontario, as a whole, desire to constitute themselves as an insuring party for those who receive a weekly wage in our various factories that come within the purview of the act, I have no objection, but I think they ought to realize that that is the situation that exists, and that they are paying what virtually amounts to insurance for this particular class of citizen. An other point that I think should be considered is as to why this act should have only partial application. If we accept the principle that the public have a right to insure certain of those who work for a salary or wage, why are not all citizens who work for a salary or wage eligible for the same protection as the expense of the public at large? These are two points that I think the public should consider when the act is up for review and revision, as is at present suggested.

One other point might well be borne in mind also. We have at the present time what is without question the most liberal Compensation Act in effect in any province or state in the whole world, and we might reasonably consider whether the act as at present constituted, does not make adequate provision for the conditions which it is meant to serve.

Burden is Heavy

There is another consideration also which we should not lose sight of. The increasing cost of this and similar acts is placing those who produce in Canada in a position of being handicapped in their production costs as compared with other countries in the world, where such legislation is not in effect and such costs are not chargeable to the products of industry, and this phase might very well be carefully considered before we add further to our cost as suggested by those who are asking for the revision which is now contemplated.

*In address at Hamilton.

Western Manager Retires from Dominion Bank

F. L. Patton, assistant general manager of the Dominion Bank, who has served that institution at Winnipeg since 1897, has retired. Mr. Patton's banking career dates back nearly 58 years to 1873. He will be succeeded by R. K. Bearisto who has been manager of the bank's Winnipeg branch for the past ten years. Mr. Bearisto's official title will be supervisor of western branches.

Mixed Farms in West Cannot Oust Wheat As Chief Cash Crop

Large Areas Unsuitable, Although Where Livestock Can be Raised, Tendency is to Do So

IS MIXED FARMING HOPE FOR WEST?

Western agricultural economy is built on a wheat foundation and wheat must continue to be the main crop of the West for many years.
Large-scale farming is developing but is not driving out intensified small farms.
Large areas in the West are unsuitable for livestock growing or other mixed farming.
Where mixed farming is suitable, diversification of output is making distinct gains.

The occupied farms of Western Canada contain the most important natural resources of the West. There is still land to be settled and farmed, there is great wealth to be produced from forests, mines, fisheries and water powers. But the most important farming areas of Western Canada are now in occupation, and those farms must provide in the future, as they have provided in the past, the greater part of the production of the West. What then is likely to be the course of development of those farms?

Wheat Still Hope of West

The answer lies in wheat. Wheat, in spite of present difficulties in the market is still the hope of the West. Western Canada has been developed, a quarter of a million farms have been established, some two million people have found homes in its cities and on its farms, and 17,000 miles of railway have been built, mainly because of wheat. Not wheat for the farmer's own use, for the use of the West, or for the use of all Canada, but wheat for countries overseas.

It was the existence of an export trade in wheat which made possible the opening up of the West. It is only the existence of an export trade which will make possible the continuance of farming on its present scale. True, the world is somewhat oversupplied with wheat at the moment, and prices are likely to be low until the surplus is consumed and some of the acreage now put into wheat is abandoned or changed to other crops. But there is still a vast international trade in wheat, and Western Canada is going to keep right on with wheat, in the belief that that is the thing she can do best, and that farmers elsewhere will be forced out of the competition before her own farmers.

Markets, Not Price, Count

It is axiomatic, of course, that in such a condition as now prevails in the world wheat market, those countries and those farmers will hold their place who are able to produce at prices that drive others out of the field. Western Canada expects to hold her place because of the unsurpassed quality of her wheat, and because of her natural advantages for wheat production. Prices which now prevail might, if long continued, drive even western farmers out of wheat production, but long before that can occur farmers elsewhere are likely to retire from such an unprofitable business. The real question is essentially one, not of price, but of markets, and so long as there is a market on which wheat can be sold, Western Canada is likely to be found competing for the business. In spite of all the difficulties of the situation, importing countries are still taking wheat from abroad at the rate of over eight hundred million bushels a year, so the market appears to be still in prospect. Russia is coming back into export wheat trade, but the United States appears to be on the verge of quitting it, and results in those two countries may fairly balance each other.

Large Scale Farming

Two opposite tendencies in farming are likely to develop, or rather to be intensified, by the efforts of farmers to adjust production costs to low grain prices. The tendency to large scale, extensive and specialized wheat farming in some districts is balanced by the tendency to more intensified farming in other dis-

(Continued on page 3, col. 4)

SHARE EARNINGS OF PARAMOUNT GOOD FOR YEAR

Can. Shareholders Number 2,600—350,000 Famous Players Com. Converted

Canadians who exchanged their stock in Famous Players Canadian Corporation for Paramount Publix Corp. early in 1930 will be interested in learning that informed estimates of Paramount Publix Corp. earnings for 1930 indicate about $18,600,000 which is equal to $6.15 a share on the average number of common shares outstanding during the year, and $5.71 a share on the 3,256,479 shares outstanding on December 31, There are now 2,600 holders of Paramount Publix shares in Canada.

Earnings in the first nine months were $13,541,000 and in the last quarter about $5,100,000 as compared with $5,812,661 in the last quarter of 1929.

Say This Year Promises Well

Through January, gross and net earnings have been good, fully up to January of 1930. There have been no great successes but with the average cost for films running from $250,000 to $350,000 Paramount has been able to make up on one film what it loses on another. Film producers estimate that a $250,000 film must gross more than $500,000 to pay and a $500,000 film must gross more than $1,000,000. The latter type of film is naturally harder to make pay than the others, although Charlie Chaplin is now taking a chance with a $1,500,000 film.

Paramount, recognizing this, has kept to a policy of amusement value rather than spectacle, and its earnings have been on a steady up grade. It therefore expects to maintain earnings on a good basis in 1931. The company has now about 1,560 theatres in the chain against about 1,000 in 1929. If affiliated and partially-owned properties are included, the total probably is more than 2,000. Famous Players Canadian Corporation alone took 200 theatres into the chain.

No Decrease for Famous Players

Famous Players Canadian Corp. earnings for the year ended Aug. 31, 1930, will not be known until the annual report is made public. In the preceding year the company earned $6.29 a share on the no par value common stock, but some falling away from this amount is almost certain to have occurred as a result of the business depression. The dividend of $2 a share has been earned with a good margin, The Financial Post is informed authoritatively, but no intention has been expressed to increase dividends at this time.

There are only about 20,000 shares which remain unchanged, it is understood. The directors feel in any case that it is a good time to build up the cash position to as strong a point as possible.

Trading Floor For Our Wheat Planned in N.Y.

A wheat futures pit for trading in Canadian bonded wheat held in Buffalo is planned by the New York Produce Exchange. The market is to be free and open and trading unrestricted, according to Business Week, New York.

Members of the exchange say that it will not be subject to any Canadian regulation or to any interference by the Federal Farm Board. As the situation stands today, there is no market in the United States which reflects free and unrestricted trading in old crop wheat, due to the stabilization activities of the Farm Board in pegging the price of wheat on all principal American exchanges.

Large New York exporters are of the opinion that a Canadian wheat futures market in New York with Buffalo delivery would be very desirable. At present, the large stocks carried in Buffalo really lack hedging facilities; to apply them against a hedge in Winnipeg would involve a prohibitive cost. This facility is what the Produce Exchange is expected to supply.

North American Shareholders to Receive $127.50 Per Share

Shareholders of the North American Life Assurance Co., are to be paid $127.50 for each share of $20 paid-up capital stock, according to the plan for mutualization of the company submitted at the annual meeting last week.

A meeting of shareholders to ratify the plan will be held February 5.

VICKERS EARNS ALL CHARGES DURING 1930-31

Current Fiscal Report Will Show Marked Improvement

NO DIVIDENDS YET

Smaller Business Volume This Year to Date But Percentage of Profit Higher

From Our Own Correspondent

MONTREAL.—Canadian Vickers will bring its fiscal year to a close this month and the financial statement for the twelve months is expected to disclose the fact that bond interest, depreciation and preferred dividends were earned, with a fair margin to spare.

This is an excellent showing compared with that reported in 1929-30 fiscal year, when net earnings were insufficient to cover both bond interest and depreciation. After accounting for these items, as well as setting aside a reserve of $155,000 for contingencies, inventories and doubtful accounts, the company had a net operating deficit of $200,040. As $89,250 had been paid in preferred dividends, the deficit was further increased to $289,290.

On Better Footing

The result being achieved this year has been effected on a smaller volume of business than in 1929-30. The more favorable showing has been due to changes put in force by the management, bringing about a reduction in operating and overhead costs.

The policy of the company is to bring about a greater strength in the company's financial position before considering making a disbursement on the capital stock. As at February 28, 1930, the income and surplus account showed a deficit of $343,886. On top of that the company had secured bank loans of $750,000.

Hold Preferred Dividend

During the year steps have been taken to reduce the bank loan. The amount involved in preferred dividends, namely, $140,000, will go a long way toward cutting down the profit and loss deficit. Thus, while the position of the company has undergone an improvement, sufficient betterment has not been made to warrant consideration of resuming dividends on the preferred.

Sinking Fund Operating

A feature of the current financial statement will be the reduction in funded debt, through the operation of the sinking fund, which commenced on August 1 last. At the end of the last fiscal year the company had outstanding $2,750,000 of 6 per cent first mortgage bonds. The balance sheet as at the 28th of this month, will likely show a reduction of $55,000 in this amount.

Position Fairly Satisfactory

At the present time operating conditions of the company are fairly satisfactory. Like all other industrial concerns, the company can handle a larger volume of business,

(Continued on page 2, col. 5)

Market Scents Danger to Can. Power Preferred

Rumor Four Subsidiary Will Not Make Usual Payments Due in Next Several Weeks

It is predicted in stock market circles that the dividends on the preferred shares of subsidiary companies of Canada Power & Paper Co. will be passed when next they fall due. This belief follows logically a report that the interest on the Canada Power & Paper debentures, next due in July, would not be paid.

The basis of the report as to the danger to the St. Maurice, Belgo, Port Alfred and Anticosti dividends is the fact that current quotations on the listed issues indicates the trouble ahead. St. Maurice recently has sold at 25, Port Alfred at 38 and Belgo-Canadian at 45. Par in each case is $100.

Other Preferreds Low

But it is pointed out that other newsprint preferred stocks, apparently in less danger, have sold down to, or close to, the levels established for the Canada Power & Paper group. Abitibi 6 per cent at 40 is on a yield basis of 14 per cent or better. St. Lawrence Paper is even lower, for at 23½ has an apparent yield of around 25 per cent.

Abitibi and St. Lawrence preferred dividends are not again due until April. The Anticosti dividend is due on February 16, the Port Alfred dividend is due on March 15, the Belgo and St. Maurice dividends are due on April 1.

In connection with Canada Power & Paper Corp., it is understood that capital obligations involving some $5,000,000 must be taken care of this year and it is this fact which has decided some members of the board to advise the majority to defer debenture interest and preferred stock dividends.

The half-yearly dividend on the 7 per cent cumulative preferred of Anglo-Canadian Pulp & Paper Mills, now a part of Canada Power & Paper, is due on April 1, also. There is $8,000,000 of this issue outstanding, all of it held in England. In view of the position as regards the other companies in the group, the dividend outlook for Anglo-Canadian has been the subject of comment recently. Canada Power & Paper has guaranteed this dividend.

Bonds Total $60,000,000

Thus aside from bonds of subsidiary companies, Canada Power & Paper in the next few months would be required, in the normal course, to provide $1,586,667 for preferred shares and debenture interest.

Underlying bonds of Canada Power & Paper total $46,000,000, to which recently has been added the £3,000,000 6½ per cent mortgage of Anglo-Canadian which is also guaranteed by Lord Rothermere's Daily Mirror and Sunday Pictorial.

Federal Department of Communications Is Plan at Ottawa

Government Will Merge Several of Present Departments

AVIATION, RADIO IN

Also Marine and Telegraphs; Not Planned Now to Include Post Office, Rlys. and Canals

From Our Own Correspondent

OTTAWA.—A partial reorganization of Dominion Government services is scheduled to take place in the coming session of parliament. It is doubtful, at the moment, how far the Bennett administration will go in removing present duplications of service, but it seems clear that the old marine department will disappear, as such, and will be replaced by a Department of Communications. All the present marine services will be retained, and the department will be strengthened by the addition of services now carried on in two other departments.

Partial Job at First

To be complete, such a department should embrace marine services, civil aviation, radio, telegraphs, post office and railways and canals. But it is improbable that the Government will adopt such a radical policy. In all probability all that will be attempted immediately will be the fusion, under one minister, of Marine, Radio, Civil Aviation and Telegraphs.

If Railways and Canals and Post Office were added, it would entail the abolition of two portfolios, always a difficult thing for a government to do. Portfolios, at Ottawa, are distributed by provinces, and to cut out these two would reduce Ontario's and Quebec's share by one each. Hon. R. J. Manion, present Minister of Railways, would be out of a job and could not be placed except by decapitation of some other minister. Also Hon. Alfred Sauvé, present post master general, would lose his portfolio, leaving rural Quebec without cabinet representation.

It will be recalled that when in 1929 the portfolio of finance was transferred from Quebec to Saskatchewan, there was a great out cry, and Rt. Hon. W. L. Mackenzie King had to make a public statement promising to re-adjust portfolios at a future time, and, in this way, restore Quebec to her former position.

Need Separate Ministers

As a matter of fact, there are sound reasons, apart from politics, why Railways and Canals and Post Office might be left as they are. It is a big responsibility, these days, to look after railways, to deal with the scores of important questions arising out of capital expenditures of the National railways. The Post Office is a major department and offers unlimited scope for the activities of a minister.

In adding civil aviation, radio signalling services, and telegraph lines to the present department of marine, the Government will be creating a very strong department, and will be entitled to considerable credit.

Civil Aviation and Radio Signalling are now in the department of National Defence. The Civil Aviation branch does for flying what the Marine Department does for shipping. Upon it devolves the task of providing lights for all commercial flying routes, of creating and maintaining emergency landing fields at short intervals of distance, of seeing to it that the large airports are up to

(Continued on page 2, col. 3)

Toronto Plant Of Paperboard Near Capacity

MONTREAL.—There has been an appreciable improvement in activities of Canadian Paperboard Co. recently and operations at the Toronto plant are being carried at near capacity. The Montreal unit is also active but the Campbellford and Frankford units are still closed down.

While the situation in the paperboard market is still somewhat unsatisfactory there are signs of improvement. Manufacturers have been striving to stabilize the industry during the past year and their efforts are reported to be meeting with results.

Canadian Paperboard is being operated by a receiver who has been successful in collecting practically all accounts receivable carried by the old management and has paid off the bank loans based on the security of these accounts and of the inventory. The last official report published toward the end of last year stated that operations were being conducted on a profitable basis.

The company passed its preferred dividend in January, 1930; a receiver and manager was appointed in February last year and bond interest was deferred in April. Interest on bonds of the company's subsidiary, Quinte and Trent Valley Power Co. has also been deferred.

Mar. Telephone Control Change Speculated on

From Our Own Correspondent

MONTREAL.—Change in control of the Maritime Telegraph & Telephone Co. is rumored, but there have been no concrete developments substantiating this story. Bell Telephone of Canada has a minority interest in the enterprise, but officials of the company state that, as far as they know, no change in control is taking place.

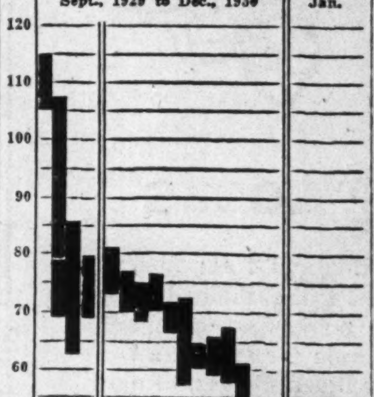
Rumors linked up the name of International Telephone & Telegraph Corp. and the Associated Telephone & Telegraph, as being interested in the Maritime company. Officials of the former company are quoted as denying any knowledge of the deal. Associated already has a stake in Canada, controlling British Columbia Telephone Co.

At the end of 1929 Maritime Telegraph & Telephone had a funded debt of $2,500,000; $1,500,000 of 7 per cent preferred; and $2,473,309 of $10 par value common stock, outstanding. It is expected that the 1930 report will show a larger amount of common stock issued.

Financial record of the company is not unusual. Dividends have been paid on the junior security since 1912—8 per cent having been paid in the last three years.

Stock Market

20 INDUSTRIAL STOCKS



MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Feb. 3	51.9	50.1
Week of Jan. 27	53.4	50.4
Month of Feb., 1930	81.7	70.7
8 Bank Stocks		
Week of Feb. 3	246	240
Week of Jan. 27	246	244
Month of Feb., 1930	268	261
10 Public Utilities		
Week of Feb. 3	82	80
Week of Jan. 27	82	79
Month of Feb., 1930	103	95

Investor's Index

INDUSTRIALS, UTILITIES, ETC.

Abitibi P. & P.	9	Frost Steel	24
Amal. Elec.	12	Fuller, G. A.	21
Acceptance Co.	14	Gen. Stl. Wares	24
Asbestos	12	Great West Life	26
Algoma Steel	2	Gypsum, Lime	24
Anglin-Norcross	24	Hamilton Bridge	23
Assoc. Brew.	12	Hayes Wheel	24
Beach Foundry	23	Home Invest.	12
Brand.-Henderson	24	Humberstone Shoe	14
Bruck Silk	25	Hudson's Bay Co.	3
Beatty Bros.	24	Invest. Foundation	9
Beauharnois	4	Int. Paints	24
Barcelona	4	Jenny Lind	5
Bell Telephone	1	Kelvinator	13
B. C. Power	4	Lake Sup. Corp. 12,	13
Bissell	19	Loblaw	18
Clark, Howe, Wat.	24	Lyall Construction	24
Can. Cement	18	Milton Brick	23
Canada Iron	19	Moirs	26
Corporate Steel	21	MacKinnon Steel	24
Cockshutt Plow	23	Mont. Power	4
Confed. Invest.	9	Maclaren Power	5
Can. Car & Found.	21	Montreal Coke	4
Canada Foundries	23	Mar. T. & T. 1,	4
C. P. R.	14	Mitchell, J. S.	24
Can. Gen. Elec.	23	Massey-Harris	23
Can. Machinery	24	Niagara Wire	23
Can. Wire & Cable	24	Nat'l. Steel Car	23
Carriage Factories	24	N. B. Tel.	4
Can. Vickers	1	Nat'l Brick 16,	24
Can. Pow. & Pap.	1	North Am. Life 1,	26
Can. Paperboard	1	Nat. Sewer Pipe	24
Can. Paving	24	Ont. Pow. Service	14
Consol. Marine	24	Ont. Silknit	9
Can. North. Power	4	Ottawa Tram.	13
Canada Dry	16	Ont. Steel Prod.	24
Cat. Macaroni	13	Pressed Metals	24
Can. Locomotive	24	Page-Hersey 2,	19
Conduits	24	Pedlar People	24
Commercial Life	26	Pub. Util. Invest.	4
Can. Bronze	24	Power Corp.	4
Can. Fairbanks M.	21	Paramount Publix	1
Cooksville Co.	23	Perfection Glass	24
Can. Westinghouse	21	Pt. Hope San.	24
Consol. Smelters	9	Quebec Power	4
Dom. Glass	18	Robt. Mitchell	18
Dom. Bridge	19	Russell Motor	21
Deforest Radio	12	Real Est. Loan	12
Detroit Bridge	16	Rolland Paper	31
Dufferin Paving	21	Sawyer-Massey	18
David et Frere	2	Standard Paving	21
Disher Steel	21	Starr Mfg.	21
Dom. Tar	19	Service Stations 9,	21
Dom. Engineering	19	Standard Steel	21
Dufferin Paving	9	Shawinigan	9
Dom. Steel 16, 17,	25	Silverwoods	14
Dryden Paper	9	Steel Co. of Can.	17
Dom. Foundries	24	Sec. C. G. I. T.	9
Durant	23	Sher.-Williams	18
English Electric	24	Simon & Son	13
East. Steel	24	Twin City	13
Easy Washing	24	Upper Can. Trust	9
Edmonton C. Dairy	9	Williams Alloy	17
Enamel & Heat.	17	Western Homes	9
Ford Motor	23	West. Empire Life	26
Foundation Co.	13	Waterloo Mfg. 16,	24
Foundation Co.	24	Winnipeg Elec.	4

MINES AND OILS

Abana	27	Pandora	27
Abana	27	Ritchie Gold	27
East Crest	27	Richland Gold	27
Int. Nickel	27	Teck-Hughes 15,	27
Mining Corp.	27	Ventures	15

David & Frère, Limitée

Third annual report

BALANCE SHEET
as at December 31st, 1930

ASSETS			
Cash on hand and in bank		$1,709.09	
Accounts receivable	$142,410.31		
Less Reserve	7,565.74		
		134,844.57	
Inventories at cost		47,962.21	
Investments in Government and Municipal bonds	79,578.75		
Accrued Interest	594.90		
		80,173.65	
			$264,689.52
Land, buildings, machinery and equipment, rolling stock, furniture and goodwill		823,214.91	
Less Reserve for depreciation		113,869.18	
			709,345.73
Deferred charges: taxes, insurance, etc.			4,334.29
			$978,369.54

LIABILITIES			
Accounts payable		$ 8,151.15	
Unclaimed dividends		540.50	
Accrued charges		4,465.68	
			$ 13,157.33
Capital Stock Issued:			
Ordinary shares, Class A 23,000 shares, no par value		690,000.00	
Ordinary shares, Class B 23,000 shares, no par value		115,000.00	
			805,000.00
Surplus			160,212.21
			$978,369.54

Approved on behalf of the board:

J. H. Bouvier
L.-Rolland Philie } Directors.

AUDITOR'S REPORT

We have examined the books and accounts of "DAVID & FRERE, LIMITEE" for the year ending 31st December, 1930, and have received all the information and explanations we have required.

No reserve has been provided for the 1930 income tax.

This remark noted, we certify that the above Balance Sheet in our opinion, shows the true financial position of the Company on December 31st, 1930, according to the best of our information and the explanations given to us and as shown by the books of the Company.

(Signed) LaRue & Trudel
Chartered Accountants.

Montreal, January 30th, 1931.

STATEMENT OF EARNINGS
for the year ending December 31st, 1930

Manufacturing profits		$244,350.39
Less selling and administrative expenses		141,223.72
		103,126.67
Other income		4,132.44
Total net earnings		$107,259.11
Surplus account		
Balance 1st January 1930	$114,196.15	
Profit for the year 1930	107,259.11	
		$221,455.26
Deduct:		
Income tax, year 1929	9,493.05	
Dividends Nos 7, 8, 9 and 10	51,750.00	
		61,243.05
Balance on December 31st, 1930		$160,212.21

Algoma Steel Awarded Order for 130-Pound Rail

From Our Own Correspondent

MONTREAL. — Algoma Steel Corp. has secured an order from the Canadian Pacific Railway for 30,000 tons of 130-pound steel rail for spring delivery, representing a value of about $2,500,000. The rail will be laid on 150 miles of the C. P. R. main line in the Mountain division in British Columbia where heavier traffic is making demands on equipment. Work on the track laying will commence early in the spring and will be completed for use in the summer.

Algoma Steel recently carried out extensive alterations to plant at Sault Ste. Marie which enable it to roll 130-pound steel rails.

Toronto Industrial Commission

The Directors invite applications by letter for the position of General Manager of Toronto Industrial Commission. Applications, which must be accompanied by a full statement of the applicants' experience and qualifications, will be considered in the order in which they are received. References and evidence of integrity and ability may accompany written applications. All applications must be in the hands of the undersigned by February 17, 1931. Address:

**W. Lockhart Gordon, Secretary,
Toronto Industrial Commission,
1304 Concourse Building, Toronto**

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Choose

Canterbury SOCKS

They are made in England from fine, medium weight yarns, full fashioned to give that neat clinging appearance, and come in patterns suitable for men of all tastes. Diamond and Block checks, also smart allover patterns for the more conservative. An ideal sock for everyday business wear. Sizes 10-11½.

Pair $1.25

T. EATON C° LIMITED

PAGE-HERSEY TUBES PROFIT FOR YEAR $10.33 PER SHARE

Compares With $11.29 For 1929 Record in Company's Career

WORKING CAPITAL UP

Seamless Tube Mill is Half Completed; Will Be Ready For Operation in Spring; Expects Alta. Business

Page Hersey Tubes annual report, presented at the annual meeting at Crowland (Welland) February 3, showed net profits equivalent to $10.33 a share on 174,620 no par value common shares as compared with $11.37 a share in 1929 and $9.85 a share in 1928. This is a little more than The Financial Post estimate recently that 1930 earnings of Page Hersey would be in the neighborhood of $10.25 a share, and certainly very much more than the most enthusiastic holders of the stock expected in such a year of depressed business as 1930.

Total income of $1,801,666 is made up of profits from operation of $1,642,558 and interest on investments of $159,108. This compares with total income of $1,970,139 in 1929 and $1,720,731 in 1928. Preferred dividends, which were $133,327 in 1928 and $12,444 in 1929 have dropped to $2,173 in 1930 as a result of the practical extinction of the preferred stock because of the convertible feature which permits conversion into common stock on the basis of two common shares for one preferred share.

Common dividends paid were $858,789 as compared with $678,107 in 1929 and $406,955 in 1928. Because of the higher amounts paid in dividends this year the year's surplus is down to $940,703 as compared with $1,279,587 in 1929 and $1,180,449 in 1928. The amount, however, is still very large, and it raises the earned surplus of the company from $2,460,037 to $3,400,740.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1930 $	1929 $	1928 $
Profit‡	1,642,558	1,899,692	1,616,152
Add interest, etc.	159,108	70,447	104,579
Net profit	1,801,666	1,970,139	1,720,731
Less appropriations:			
Pref. divds.	2,173	12,444	183,327
Com. divds.	858,789	678,107	406,955
Surplus for year	940,703	1,279,588	1,180,449
Add: Prev. surp.	2,460,037	1,180,449	......
Bal. carr. for'd.	3,400,740	2,460,037	1,180,449

‡After providing for bad and doubtful debts, income tax and depreciation.

Liquid Strength Grows

Current assets of the company have shown a further increase in strength, reaching $6,603,675 which is 13.68 times current liabilities of $482,657. A year earlier the ratio of current assets to current liabilities had been 10.73 to one. Working capital is $6,121,018 as against $5,732,820 a year earlier and $4,755,702 at the end of 1928. Bonds account for $2,477,482 of current assets, cash for $892,449, and receivable for $467,538 (nearly half the previous year). Advances to subsidiaries have been cut down from $714,901 to $397,380, and inventories are $2,197,546 as compared with $1,726,070 at the end of 1929 and almost the same amount at the end of 1928. The higher level of inventories, it was explained by the president, W. W. Near, is due to the fact that the management took advantage of the present low levels of steel to lay in supplies.

Payables of $102,793 and dividend due of $214,738 make up the principal current liabilities, payables on Dec. 31, 1930, being less than half of the bills and accounts payable a year earlier and the dividend due about $42,000 more.

Hope Much from New Plant

Fixed assets in real estate, plant and equipment are shown at $3,557,943, an increase of $731,304 in the year due mainly to the erection of a seamless tube plant at Crowland. The works are half complete and will be ready in the spring. Boiler tubes and seamless well casing not hitherto made in Canada will be products of this plant. Business from the Alberta oil and gas fields, it is hoped, will this summer help to make up for any falling off in general tubular business which may occur this year. An amount of $178,799 was allowed for depreciation during the year, bringing the total to $750,350.

Investments in subsidiaries are carried unchanged at $739,000. Employees bonus stands at $171,281.

WORKING CAPITAL

	1930 $	1929 $	1928 $
Current assets	6,432,395	6,238,012	4,937,609
Current liabs.	319,085	387,674	222,562
Working capital	6,113,310	5,850,338	4,715,047
Ratio	20.15—1	16.09—1	22.19—1

FEDERAL DEPARTMENT OF COMMUNICATIONS IS PLAN

(Continued from page 1)

a high standard of efficiency, of erecting radio direction stations, and of providing weather reports. Also, the Civil Aviation branch licenses all commercial planes, inspects all planes engaged in passenger or commercial flying, and enquires into all accidents or fatalities.

All to New Department

The Radio branch of the Defence department, operates a chain of radio stations in the far north covering the unorganized territory between the Arctic Ocean and the provinces.

The Public Works department operates a few land telegraph lines in the more remote sections of the Dominion.

All these services will be transferred to the new department and the result will be to eliminate duplication of work and enable services to be performed more efficiently. Moreover, with one minister directly responsible for the whole organization of our communication services, it will be possible to evolve a sound policy for future advancement.

The new policy will require legislation which, it is believed, will be introduced when parliament meets. The government will not encounter opposition as the Liberal party is committed to the plan. In fact, Hon. J. L. Ralston, former minister of National Defence, is known to have worked out most of the details and it was the declared intention of the King administration to proceed with the re-organization if returned to power at the last election.

Tourist Trade Estimated At $310,000,000 in Year

Increase of $11,000,000 Over 1929 Revealed by Survey for Business Year Book of Canada's Balance of International Payments

Canada's balance of international payments for 1930 is estimated for the first time by K. W. Taylor, M.A., associate professor of political economy at McMaster University for The Financial Post Year Book, 1931.

The figures show many important changes from the last official estimate prepared by the Dominion Bureau of Statistics for 1929. One of the most important features of the 1930 compilation is that tourist trade in 1930 is found to have actually yielded more revenue to Canada than in 1929, despite the current belief to the contrary. Tourists are estimated to have enriched Canada by $310,000,000 in 1930 as against $299,000,000 in 1929.

In explanation of this important compilation, it may be said that the international buying and selling of commodities as recorded in foreign trade statistics, are not a true indication of a nation's "balance of trade." Services, as well as goods, are internationally bought and sold, and there are many other "invisible" items that enter into a "balance of trade." It is well known, for instance, that Great Britain's normal heavy "unfavorable" balance of trade is more than offset by her income from shipping services and vast foreign investments. Canada, too, buys and sells services, receives and pays interest, and in the aggregate these "invisible" items are nearly as large as the total foreign trade in merchandise.

In the following table, credits are the sales of goods or services or other transactions which result in funds flowing into Canada. Debits are transactions which result in funds flowing out of Canada.

Apart from normal growth, the most striking change between 1913 and 1930 is the remarkable increase in Canadian interest receipts from investments abroad, which were $9,000,000 in 1913 and $95,000,000 in 1930, and the complete change in the tourist trade. In 1913 the tourist trade was small, and Canadians travelling abroad spent in the aggregate, more than foreign tourists in Canada. In 1930 tourists in Canada spent a total more than three times as great as the expenditures of Canadian travellers abroad. The expenditures of foreign tourists in Canada practically balance the entire interest and dividend requirements on the $6,375,000,000 of foreign investments in Canada.

The tourist trade in 1930 is thought to have been greater than 1929 in point of numbers, though expenditures per capita were perhaps slightly less. It is believed, however, that the total receipts showed about a five per cent increase. On the other hand, Canadians have not gone abroad in so great numbers and their expenditures have been appreciably reduced.

CANADA'S BALANCE OF INTERNATIONAL PAYMENTS, 1929, 1930
(000's omitted)

	1929* Credits	1929* Debits	1930† Credits	1930† Debits	Balance
Merchandise and bullion	$1,252,000	$1,288,000	$ 875,000	$1,020,000	—$145,000
Freight charges	96,000	134,000	80,000	115,000	— 35,000
Interest account	91,000	307,000	95,000	310,000	— 215,000
Tourist account	299,000	111,000	315,000	100,000	+ 215,000
Cap. of immigration and emigrants	11,000	10,000	8,000	10,000	+ 215,000
Insurance transactions	45,000	22,000	40,000	20,000	+ 20,000
Advertising	4,000	......	4,000	1,000	+ 3,000
Motion picture royalties	......	4,000	......	5,000	— 5,000
Expenditures by governments	11,000	11,000	12,000	11,000	+ 1,000
Charitable & missionary contributions	1,000	2,000	1,000	2,000	— 1,000
Other non-commercial remittances	15,000	24,000	15,000	20,000	— 5,000
Balance‡	88,000	......	169,000	......	— 169,000
Total	$1,913,000	$1,913,000	$1,614,000	$1,614,000	

*Dominion Bureau of Statistics Data.
†Business Year Book estimate.
‡Representing (a) new capital investments; (b) errors and omissions in estimates.

NATION'S BUSINESS

(Continued from page 1)

tion or extinction. That is, domination or extinction for these heads, for after the stand they are now taking they could hardly hope to remain in control after the reasonable reorganization of tht pools which was possible last August, when The Financial Post urged that course upon them, and which might still be possible.

* * *

THERE is a lack of candor in the present situation which is highly regrettable. A few months ago it became necessary to take the control of the present central selling agency of the wheat pools out of the hands of the directors. The fact was camouflaged by the appointment of John I. McFarland as general manager of the central selling agency, and by the directors of that institution remaining in office, but not in power. For a while the pretence was maintained that Mr. McFarland was acting as the appointee of the directors, a pretence now partly abandoned. Although the directors still retain their office, they are pursuing behind Mr. McFarland's back policies directly contrary to those he has publicly announced, designed to restore the friendship of dealers and millers abroad to Canadian wheat. In announcing the abandonment of attempts at direct selling overseas, as opposed to the use of established trade facilities, Mr. McFarland said:

"I am confident that it is the duty of this great organization to take such action as will assist in removing from the minds of the grain and milling trades abroad, and in Canada as well, from the public mind a prejudice which has unwittingly become prevalent that the Pool's policy was designed to combat the world and plough a lone furrow to the detriment of the consumer abroad and to the grain and milling trade in general. There is no doubt that this sentiment prevails overseas."

Anything more calculated to interfere with this attempt to restore confidence than the campaign for compulsory pooling and the destruction of regular marketing channels could hardly be imagined. The pool directors have an undoubted right to campaign for compulsion if they think it a sound thing, but they are hardly entitled to do it while maintaining any pretence at being in control of the present central agency, or while assuming responsibility for the policies Mr. McFarland has announced.

* * *

THERE is lack of candor, too, in respect to the present financial situation of the pools, a lack to which the Government of Saskatchewan has already lent itself. In spite of the fact that the provincial governments are responsible to the banks for a deficit of around twenty-five million dollars because of guarantees made last year, and the provincial pools in turn have made themselves responsible to the provincial governments for the amount involved, the facts are being diligently kept from public knowledge. They are known in a general fashion by those who have contact with financial circles, but it is a safe assumption that the majority of western farmers, whether members of the pool or outside of it are still in ignorance. If pool directorates wish to save themselves from an imputation that they are trying to "put something over" before the facts of the situation are known, they will insist on a disclosure of the real condition of affairs before they proceed with their campaign. And if the three provincial premiers wish to avoid the charge of lending themselves to such a procedure they will make prompt disclosure in their respective legislatures. Not a word has yet been said by the Saskatchewan government, although the legislature has been in session for several weeks, to indicate any knowledge on the part of the Government that fifteen million dollars or so has been added to the public debt of the province because of the guarantees given last year, but there is still time for the premier to disclose the facts to the house. In Alberta and in Manitoba each Government placed in the speech from the throne some reference to the pool situation which presumably indicates an intention to deal with the matter at current sessions.

* * *

PERHAPS the most remarkable thing about the whole proceeding is the callous disregard for the individual farmer. Farmers who are members of the pool are worse off to a tremendous extent than farmers who remained outside of the pool. They have lost every cent of the millions of dollars which were accumulated as "reserves" and invested in elevators, a fact which has not yet been revealed to them in any official reports. At present low prices of grain any pooling system which gives a farmer only a portion of the value of his grain when he delivers it must work great hardship on him. Yet instead of releasing farmers from pool contracts, something that would have become a practical necessity before next crop, the attempt is being made to bind present pool farmers closer to the system, and to include in it by compulsory legislation all those who have so far remained outside. Only in Russia is there similar willingness to sacrifice the individual to the institution.

VICKERS EARNS ALL CHARGES DURING 1930-31

(Continued from page 1)

though the value of contracts on hand compare favorably with other years, taking current conditions into consideration.

The structural steel department has been fairly busy over the past eleven months. The company has received a number of small and large contracts, which has enabled it to keep this department operating on a satisfactory scale. Activity in this branch of the business is only fair at present, but with the opening of spring operations further orders are expected.

Industrial Operations Showing

Operations in the industrial department have been well above the average for many months past. This department was, at one time, one of the weaker links in the organization. Efforts to improve the volume of business going through this department have met with a fair degree of success. Just now there is a tapering off in activity.

Aeroplane operations have been quiet for some time. The company recently received a sub-contract for the construction of six Bellanca planes, but this order will not keep the department busy for any length of time.

The marine department has been doing better than usual and at present is fairly active on new building and repair work. It will be recalled that the president, James Playfair, laid the blame for last year's poor showing on the shortcomings of the marine and aviation departments. The pick-up in this branch of the business, accordingly, is regarded as particularly satisfactory.

Outlook is Fair

At the moment prospects for the coming season are still somewhat indefinite. Steamship interests are looking forward to a better year on the Great Lakes and the St. Lawrence. If this hope materializes, there should be an increasing volume of business for the marine department. Industrial and structural steel departments are influenced by general business conditions, while the aviation department does not appear to be especially well fixed in respect to future business.

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Our staff can do that very thing for him—for you.

We will clip and mail to you daily, everything printed in Canadian newspapers and periodicals about anything that is of interest to you.

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DAVID ET FRERE GROSS EARNINGS SHOWED INCREASE

Higher Expenses Reduced Net—Dividend Covered Twice

From Our Own Correspondent

MONTREAL.—While manufacturing profits of David and Frère Ltd., in 1930, were higher by over $16,000 at $244,350, an increase in selling and administrative expenses reduced operating profits to $103,120 as compared with $116,815 in the previous year. Additional income of $4,132 brought net earnings applicable to dividends up to $107,259 which was equal to $4.66 a share on the A stock as against $5.25 a share in 1929. Dividend requirements are $2.25 a share.

After making provision for the participating clauses attached to each class of shares, earnings on the "A" stock were $3 a share and $1.66 a share on the "B." This compares with $3 and $3.25 respectively in 1929.

Comparison of Income Accounts

Following is a comparison of profit and loss accounts for the past two years:

	1930 $	1929 $
Manufacturing profits	244,350	228,004
Less: Expenses	141,223	111,189
Operating profit	103,127	116,815
Add: Other income	4,132	3,827
Net earnings	107,259	120,642
Less: Dividends	51,750	51,750
Income tax	9,493	8,058
Surplus for year	46,016	60,834
Add: Prev. surplus	114,196	53,362
	160,212	114,196

Working Capital Lower

Working capital shows a reduction from $264,863 to $251,532. Current assets total $264,689 and current liabilities total $13,157. In current assets, inventories at cost are valued at $47,962 a reduction of slightly over $3,000. Cash is lower at $1,709 as compared with $9,737 and accounts receivable, less reserves, total $134,844, an increase of some $13,000. Government and municipal bonds are carried at $80,173 as compared with $86,603.

Fixed assets, less a reserve for depreciation of $113,869, total $709,345. This compares with $651,018 in the previous year and reflects additions to plant and machinery made in 1930.

Accounts Payable Higher

Liabilities include accounts payable of $8,151, an increase of $5,500 and accrued charges are higher at $4,465 as compared with $915. Capital structure is unchanged and surplus at $160,212 shows an increase of $46,016.

In his remarks to shareholders, J. H. Bouvier, president of the company, stated that the plant was operated at capacity throughout the year and that directors are presently studying a project of expansion. In May, 1930, an additional floor was working at capacity while other machinery already bought will be in operation shortly. He pointed out that a considerable overhauling had just been completed and viewed the current year with optimism.

BELL 'PHONE STOCK RIGHTS MAY BE GIVEN

(Continued from page 1)

offer is in the offing. This would appear to be the case, as evidenced by the strength shown by that security in recent weeks. From a level of around 141 earlier in the month, the stock has advanced slowly until it is now being bid a point or two under 150.

Adoption of this plan by the company involves approval by the Board of Railway Commissioners, which has the power to set the price at which the stock may be offered to shareholders.

It will be recalled that when the Bell went to Ottawa to secure an amendment of its charter increasing the capital stock from $75,000,000 to $150,000,000, its application was approved, but with the rider that the company had not the power to make an issue of stock without approval of the Commissioners as to the amount, terms and disposition.

The issue in the fall of 1929 was made under the new ruling.

Could Underwrite Issue

One drawback to a possible offering of stock rights, is the possibility that shareholders may not be in a position to take up their stock. The stock of the Bell Telephone, however, is held by conservative investors, and there is no reason why the rights should not be taken up in their entirety. This uncertainty, moreover, could be eliminated through the simple process of having the issue underwritten.

May Hold Off

It is possible that the matter of further financing will be held over until after the annual meeting, which takes place on February 26. The financial and operating statement for 1930 to be presented at that time, will not be up to earlier estimates, but the showing will be comparatively good. Early in December the president stated that while gross revenues for the year to date had exceeded those for 1929, they were about $2,000,000 below provisional estimates.

The manner in which the business recession curtailed expansion of the company, is well illustrated by figures on new installations during the first half of the year. In that period a net gain of 17,687 in the number of telephones installed was recorded. In order to achieve this result 125,403 stations were installed, but 107,716 were withdrawn.

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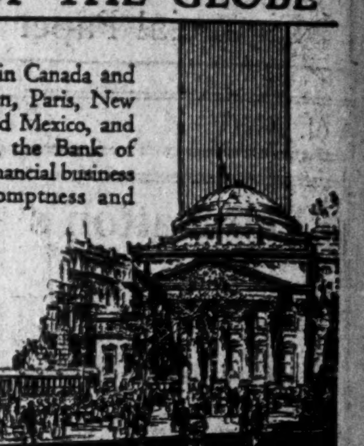

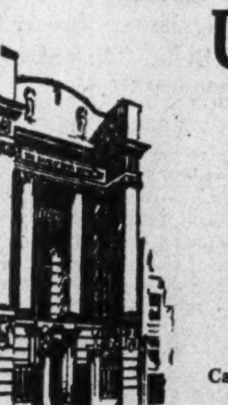

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Established 1832
Capital, $12,000,000. Reserve, $24,000,000.
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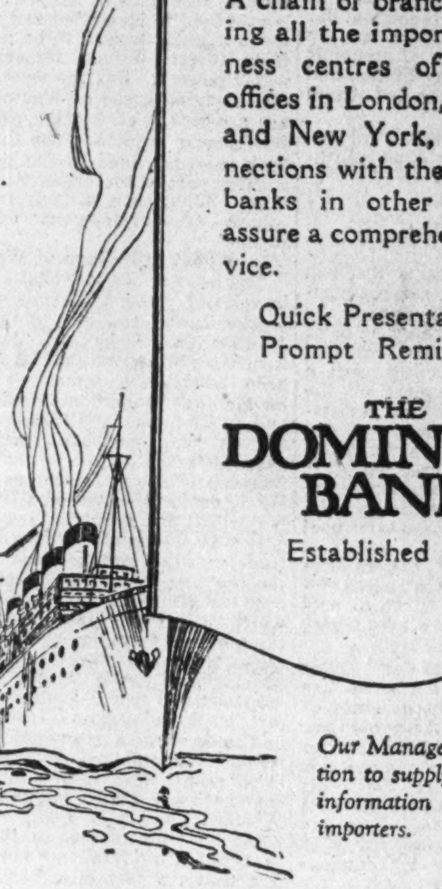

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NEW collar attached model —The English interpretation — to be worn with pin, giving the smart drawn appearance of the tab collar without any of that irksome collar harness. In white at The Store for Men,

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STREET FLOOR

THE ROBERT SIMPSON COMPANY LIMITED

HUDSON BAY CO. MEETING ADOPTS BOARD PROPOSAL

Plan For Canadian Company Deferred For Time, at Least

ASSETS ANALYZED

Sir Frederic Richmond Says Shares Really Worth Much More Than Market Price

At the special general meeting of shareholders of Hudson's Bay Co. in London, called to consider the report of the special committee which had been appointed as a result of the criticisms of the management by C. L. Nordon, a shareholder, an amended resolution was carried by a large majority.

This resolution stipulated that the report be adopted except as regards the specific recommendations of the committee (the suggestion for the formation of a separate Canadian company to operate the department stores was one feature) and that the vacancies caused by the resignation of the governor, C. V. Sale, and two other directors, be filled by the remaining members in consultation with the committee and certain proprietors. On the event of a disagreement, the dispute is to be settled by Sir Robert Horne, who is a shareholder.

To Formulate Policy

The specific recommendations of the special committee are to be considered by the reconstituted board, which is to formulate a definite policy for consideration by the shareholders at the annual meeting in July. It was mentioned that Mr. Sale did not approve of the amendment.

Sir Frederic Richmond, the deputy - governor, presided after the chair had been vacated in his favor by Mr. Sale because of his own views being somewhat at variance with those of the committee.

Sir Frederic Richmond said in part:

"Let me beg of you to get out of your minds any idea that the position of your company is financially unsound and that it is advisable for you to sell your shares and cut your loss. Indeed, the reverse is the case, as, even when valued on a most conservative basis, and after taking into consideration the loss that is anticipated on the current year's trading, the ordinary shares are represented by assets very much in excess of the present market quotation. A brief analysis of the assets of the company as shown in the last balance sheet will at once confirm this statement.

Customers' Store Accounts

"The amount of £1,070,000 is accounted for by customers' accounts in connection with the store business. You will be interested to hear that we reserve in full for all amounts which are six months overdue on the ordinary trade accounts, and on hire-purchase business we reserve 50 per cent on any amounts which are more than three payments in arrears, although, of course, we have a lien on the goods until the final installment is paid.

"From the latest reports received in London the collections are satisfactory, and bad debts show practically no variation from the normal, which works out at less than 1 per cent.

"We can next turn to merchandise, £2,880,000, of which £940,000 is employed in the fur trade. I would point out that this figure represents the value of the merchandise at the various posts at May 31, 1929, and as you are aware the fur accounts are closed one year prior to the rest of the company's business. Commodity prices have, however, fallen appreciably; but I understand a large proportion of the depreciation on this particular merchandise has been taken in the fur trade accounts for the year ended May 31, 1930, and this will be reflected in the company's accounts for the current year.

Stock in the Stores

"A sum of £1,630,000 represents the stock in the stores, and here again any depreciation on stock will be reflected in the accounts for the year ending January 31. I might add that all stocks are taken on the basis of cost or market value, whichever is the lower, and all fashion, soiled, or damaged goods are either cleared by the end of the financial year or depreciated and taken into stock at such prices as may be expected will show our normal profit on the following year's trading.

Properties in Canada

"Lands, buildings, and equipment, Canada, at £5,350,000, represents the actual cost of all your stores and various other properties in Canada, and in several important instances nothing is charged for site values. I should think I am erring on the right side if I state that this is a fair valuation of your properties, and, further, we have a sinking fund in operation both for the buildings and the equipment, required by the stores. In the former case the full original cost will be provided by this means in 32 years, and in the latter case in 23 years. In other words, we shall amortize our stores in 32 years.

"You have assets to the value of £12,500,000, from which has been deducted creditors and dividends paid, leaving a net balance of, say, £11,000,000. You have, in addition, an immense reserve in the 2,400,000 acres of land which you still hold and the outstanding installments on lands already sold, amounting to £2,200,000. Assuming this land to be worth only £1 per acre—and in the fullness of time it undoubtedly should be worth more as it includes all the town sites—we arrive at a total of £4,600,000, and this large sum does not appear on the balance-sheet as of any value.

"This gives a gross value of over £15,000,000, from which has to be deducted £2,000,000 preference capital, leaving a balance which, after full provision for current losses caused by the present trade depression, conclusively proves the prices at which your shares are quoted on the Stock Exchange today have no relation whatever to their actual value. (Hear, hear.)

Mr. Sale's Services

"In regard to Mr. Sale's, the governor's resignation, I should be unmindful of my obligations if I did not take advantage of this opportunity to pay a tribute to the great work he has done for your company. I do not propose to discuss the accusations that have been made against him, as they have been dealt with by the committee in their report. I should, however, like to say that Charles Sale joined the company at a very critical time in its history. He found it lagging behind instead of taking a prominent part in the growth of that wonderful Dominion. He gripped the situation in the spirit of the earliest adventurers, and, with his immense energy and great vision and courage, in a comparatively short time revived the old spirit of the company and its staff and brought back the Hudson's Bay Company as one of the dominating factors in Canadian industrial life."

Besides the preferred mentioned by Sir Frederic Richmond, the outstanding ordinary, or common, shares of the company total £2,492,224 of £1 par value. A recent London quotation on this stock was 24s 4½d.

Say C. P. R. to Use Ribstone Crude Oil

A Calgary despatch says the Canadian Pacific Railway has concluded arrangements with the Ribstone Oils, operating in the Ribstone-Blackfoot field, of Alberta, to supply the railway company with 400 barrels of crude oil daily, for fuel purposes.

Ribstone has four wells producing around 100 barrels each, and it is planned to drill additional wells to meet the demand. The oil will be piped from the field to McLaughlin station on the C. P. R., a distance of about 14 miles. Ribstone plan to expend from $30,000 to $50,000 on the construction of this pipeline and establish storage facilities at McLaughlin. Two months is estimated as required to complete the undertaking.

Disher Steel 1930 Earnings Held up Well

Disher Steel Construction Co. earnings in 1930, while lower than in 1929, were sufficient to look after preferred dividend requirements with a substantial margin. Clark E. Disher, president, so informs shareholders in a letter accompanying current dividend cheques.

At the end of 1929 the company had 15,000 no par value preference shares paying $1.50 per annum, but during 1930 the company purchased 2,000 Class "A" shares on the market, reducing the amount outstanding to 13,000 shares and also reducing dividend requirements. It would not be surprising if the annual report showed preferred dividends earned twice over.

The company recently obtained a contract for the steel work in connection with the Montreal plant of Western Precipitation.

WASHINGTON SEES WHEAT LOWER IN '31

(Continued from page 1)

that the Board would sell its holding of around 130,000,000 bushels or more, in both cash and futures, and withdraw from the market in May.

No Immediate Prospect

Such a prospect is not likely, however. It cannot be said that there is any assurance that the Grain Stabilization Corporation, the Board's subsidiary which carries on the price-pegging operations, will step into July as that delivery date approaches, but it seems fairly certain that regardless of its future operations it will not unload its wheat for some time.

The department in this report discusses the probable foreign demand for American farm products and many of its conclusions would be applicable also to the demand for Canadian wheat and other crops.

"Purchasing power of consumers in foreign countries of the 1931 farm products of the United States may be somewhat greater than it has been for the products of the 1930 season; but restrictions upon international trade and increased competition in some of these products will tend to offset the effect of increases in purchasing power upon the foreign demand for our farm products," the department states. Regarding the United Kingdom, it is stated:

Says Great Britain Prejudiced

"The grain market will be ruled, so far as England is concerned, by the question of price. When the English pay no attention to the costs of production to the home grower of grains, the foreigner cannot expect them to worry whether or not British prices show a profit to the foreign grower. There is no concealing the fact that the British buyers prefer to buy anywhere but the United States and Canada, and will buy from these sources only when necessary.

"However, whenever there is any money in the deal, they are not going to lose it by refusing to buy from these sources. With our wheat, oats and barley feeding, we will have to take our chances in competition with world offerings."

Respecting England's general economic situation it is suggested that "it must also be further borne in mind that the causes of the original trade depression in England still persist, and that, when the world depression is over, she will be no better equipped to meet world competition than she was in 1928 and 1929."

Wheat Can Go Lower

With wheat at extremely low price levels, "it is doubtful," in the department's opinion, "if wheat has ever been so cheap in terms of commodities in general as it has been in recent months. While it cannot be confidently predicted that the bottom has been reached, it seems improbable that world wheat prices can go much lower; for prices at Liverpool, Winnipeg, Buenos Aires and other important markets are now so low as to return to growers in many wheat-producing regions little more than threshing and shipping costs."

There is at present no reason to expect that total world production for 1931 will be greatly different from that of 1930. While the increased acreage for the world as a whole, outside Russia and China, may have been checked, there is no indication of an appreciable decrease, according to the department.

Russia May Increase

"Moreover, there may be some further increase in the Russian acreage for 1931," it is thought. "On an acreage about as large as that of 1930, average yields would result in a world crop for 1931 about equal to that of 1930, and total supplies available for 1931-32 would be about the same as those for 1930-31."

Indications are that "the world carryover, outside of Russia and China, as of July 1, 1931, will again be abnormally large and perhaps not materially different from that of July 1, 1930."

Department also says that "it is likely that there will be material shipments from Russia during the next six months."

Estimate Prairie Provinces Wealth

The total estimated wealth of the Prairie Provinces is $7,380,000,000, according to a statistical analysis published by the Industrial Development Board of Manitoba. This is 25.51 per cent of the Canadian total.

CANADIAN BRONZE EARNED DIVIDEND BY SOUND MARGIN

Redeemed $125,000 Preferred Shares During Last Fiscal Period

From Our Own Correspondent

MONTREAL.—After depreciation, income tax and dividend requirements on the preferred stock, Canadian Bronze Co. earnings in 1930 were equal to $3.19 a share on the common stock, before deduction of preferred stock sinking fund requirements. After this deduction, which amounted to $25,540, earnings were equal to $2.87 a share as compared with $4.60 a share on the same basis in 1929. Dividends are paid at the rate of $2.50 a share.

During the year additional properties were acquired and $125,000 of preferred stock was redeemed. Working capital has declined from $875,525 at the end of 1929 to $758,528 at the close of the last fiscal year. Ratio of current assets to current liabilities has been maintained at over 4 to 1.

Preferred Requirements Reduced

The decrease in preferred dividend requirements is noteworthy; these have been reduced from $75,000 in 1928 to $50,400 during the current year. The company has set up a new reserve of $70,970 against depreciation of securities held and wrote off $61,000 on this account last year. This has had the effect of reducing the balance carried forward into the current year from $563,014 in 1929 to $519,387.

Following are details of the profit and loss accounts for the past two years:

	1930 $	1929 $
Operating revenue*	287,051	445,812
Add: Other income	21,741	26,185
Net earnings	308,792	471,997
Less: Preferred divs.	53,391	63,471
Sinking fund	25,540	40,852
Common divs.	200,000	200,000
Surplus for year	29,861	167,674
Add: Prev. surplus	563,014	408,257
Adjustments	......	48
Less: Prem. on pfd. red.	12,488	12,965
Res. for depreciation in investments	61,000	......
	519,387	563,014

*After depreciation and income tax.

Current Assets Lower

Current assets total $975,818 as compared with $1,154,110 in the previous year. Cash is higher by about $3,000 at $71,611 and inventories are carried at $330,506 as compared with $271,413 at the end of 1929. Accounts receivable, however, have declined from $394,852 to $210,903 while investments, less reserve of $70,970, are valued at $362,796 as compared with $418,960.

Fixed assets, less depreciation of $372,263, totals $797,163. At the end of the previous year depreciation totalled $342,979 and assets were carried at $822,800. Goodwill, contracts and patents are still carried at $1.

More Preferred Redeemed

In liabilities, accounts payable, including provision for income tax for 1930 total $154,690 as opposed to $213,798. Insurance reserve stands at $10,343, virtually unchanged, while a special insurance reserve of $2,668 has been set up. Redemption of preferred shares is reflected in the capital structure which reveals $720,000 of preferred outstanding as against $845,000 at the end of 1929. Preferred stock sinking fund now totals $108,386.

Remarks to Shareholders

In his remarks to shareholders, W. L. Bayer, president of the company, said in part:

"Your tonnage has decreased somewhat as a result of the generally depressed state of business during the past year, but earnings have suffered principally from the reduction in the price of copper and other metals.

"Your company appropriated from its surplus account the sum of $61,000 as an additional reserve against depreciation in market value of its investments."

MIXED FARMING CAN OUST WHEAT AS CHIEF CROP

(Continued from page 1)

tricts. Observers have noted both tendencies, and advisers have advised both, without sufficiently specifying territorial limits.

Mixed farming implies livestock, and livestock demand water, water both for drinking purposes, and rainfall to produce forage and succulent crops. A large part of Western Canada, mainly in the sourthern parts of Saskatchewan and Alberta is insuffiently supplied with water, either ground water or rainfall, to support a livestock industry of any considerable size. Wheat can get along with much less water than can livestock, particularly if the rainfall is distributed, as is usually the case in the drier districts, in such a way throughout the growing season as to enable the crop to take the greatest advantage of it. Manitoba is much better watered with rivers, streams and wells than are the other two provinces. The average rainfall at Winnipeg, for example, is about 20 inches a year, but the average rainfall over large areas of the West is about 12 inches annually, and in dry years it goes very much lower. When wheat crops fail for lack of rain, feed for livestock is likely also to be scarce, not to speak of water for their drinking, and a farmer's cattle, instead of being an insurance against crop failure, merely add to his problems. And when rainfall is sufficient, in dryer districts the farmer's efforts are likely to be the better rewarded in connection with his grain than in any other direction.

Must be Limited

Over at least half of the wheat growing belt, therefore, farmers are not able to turn to livestock on any large scale to supplement their cash income from grain. A few cows to milk, a few steers, a few pigs, and a few chickens, mainly to provide the family food and sometimes giving a slight surplus to sell, will reduce the cost of producing wheat on many farms by reducing the amount of money that has to be paid out, but that is as far as most farmers in many large areas are justified in going with livestock. Bad years can be guarded against to a limited extent by storing up reserves of feed from the good years, and to some extent the family can be made more self sufficient. But commercial production of livestock under such conditions is out of the question.

Nor can it be said that every farm in the drier areas should be equipped even to this limited extent. There is nothing economically unsound in a farm without an animal on it, if the energies of the farmer are devoted to operating, with the aid of machinery a farm sufficiently large to absorb all his energies and time.

Some Good Mixed Areas

But there are other districts where feed, water and shelter are sufficiently abundant to make possible the commercial production of livestock, that is production where sale of stock or their produce is the chief consideration, instead of family requirements for food. Such districts, Manitoba generally, and the northern parts of Saskatchewan and Alberta can produce vastly more than they have done in the past. Even in such districts livestock production is likely to be subsidiary to wheat production, and to supplement, instead of to replace the latter. Barley, for example, which is an ideal feed for hogs, happens often to fit in as a crop with a wheat farmer's needs. It can be sown late, much later than either wheat or oats, and late sowing may permit some much needed spring cultivation to kill weeds. Or, to restore fibre to the soil it is desirable to put a field down to grass for a year or so, and cattle to eat the grass and hay will be desirable. Sweet clover may be sown essentially as a soil improving crop, with an eye to improving wheat yields, but the crop will require to be consumed. A farmer may decide to feed steers through the winter, not as a main occupation for the year, but in order to have a useful outlet for his labor when it is not required in field work.

Does Not Reduce Wheat Grade

In few of these cases do operations outside of wheat growing tend to reduce the quantity of wheat grown. That fact is disguised to some extent in Manitoba, where the acreage devoted to wheat declined during recent years, barley being very largely substituted. But barley was being grown as a cash crop, because barley prices were for a time attractive, and the crop offered an escape from the dangers of wheat rust. It represented a substitute crop, rather than a substitute method of agriculture. The decline or rather the disappearance of the export market for barley may result in many more hogs being raised to consume this barley, but it is also likely to restore a good deal of barley acreage to wheat.

Mixed farming, then, is to be regarded as mainly ancillary to production of wheat as a cash crop. There is room for a great deal of expansion in that direction. Production of hogs in recent years has fallen off to such an extent that Canada has not even been providing her own requirements in bacon. It is not that hog production was in itself unprofitable, but that farmers frequently found they might as well have sold their barley instead of feeding it, and consequently appeared to have no reward for their labor. They are getting back rapidly into hog production, and it appears likely that there will soon again be an export surplus of bacon to be sold on the British market. Economically it appears to be a sounder thing to feed barley in this country and to export meat, than to export the barley to be fed in Denmark to hogs destined for the British market.

In cattle the situation is more difficult to estimate. We have in the past shipped great numbers of cattle both to the United States and to Great Britain, usually for further feeding there. For such purposes western cattle, because of their health and stamina, have been admirable, but only to a limited extent have western cattle been finished completely at home. To produce the finest beef requires a combination of blood lines, of skill and of feeds in which this country is still lacking. A gradual development of our beef industry, primarily for home consumption in Canada, with the export surplus shipped alive, appears to be indicated for the future. Dairying development until at least the needs of Canada are taken care of, and with only occasional export shipments of butter is entirely logical.

Size of Farms

With the growing mechanization of farms, the use of tractors, of trucks and of combines, the size of farms has a tendency to grow. The quarter section or 160 acres, was the unit of settlement of the West, a section being a square mile or 640 acres. Some quarter section farms continue, but the standard unit in Western Canada is now the half section, usually judged to be the size of farm on which a man could make the best use of a one standard outfit of machinery, drawn by the usual four horse teams. The man who is going to employ, to the full, machinery now available needs a section, and farms still larger can be operated without duplicating outfits. But so far there is little fear in the West that farmers generally will have to be consolidated into units of several thousand acres for economical use. To some extent that process will undoubtedly occur. In some areas where the fluctuations between good and bad years are the most extreme it is probably a desirable development. In other districts the superior skill or the greater good fortune of some farmers will enable them to take on land which their neighbors have not been able to farm to advantage, or which becomes available from time to time, and the general tendency may be for the gradual enlarging of the average size of farms. But concurrently there will be a tendency for the farmer who is not going to enlarge his farm to cut his production costs by more intensive use of his acres and of his own labor, and by greater diversification of his production.

Future Is With Wheat

The process of diversification will be helped as the industrialization of the West proceeds and as the mining areas of the north are opened up. For wheat production the local market is not a consideration. For mixed farming, for the disposition of cattle, of poultry, of milk and of butter, it is of the greatest importance, and the greater the local use of such products the greater the number of farmers who can raise them to advantage.

Summed up, the future of western agriculture in the West seems bound up for many years with wheat. The necessity for raising wheat at the lowest possible cost will result in a certain number of large farms on which probably little else but wheat will be raised. But other farmers will reduce their costs of growing wheat by raising a larger percentage of farm requirements, and still other by producing for market a greater volume of other products than in the past.

Greater Vancouver during November issued 512 building permits, authorizing construction work to the value of $1,187,950, of which 129 permits, valued at $332,200, represented new residential construction.

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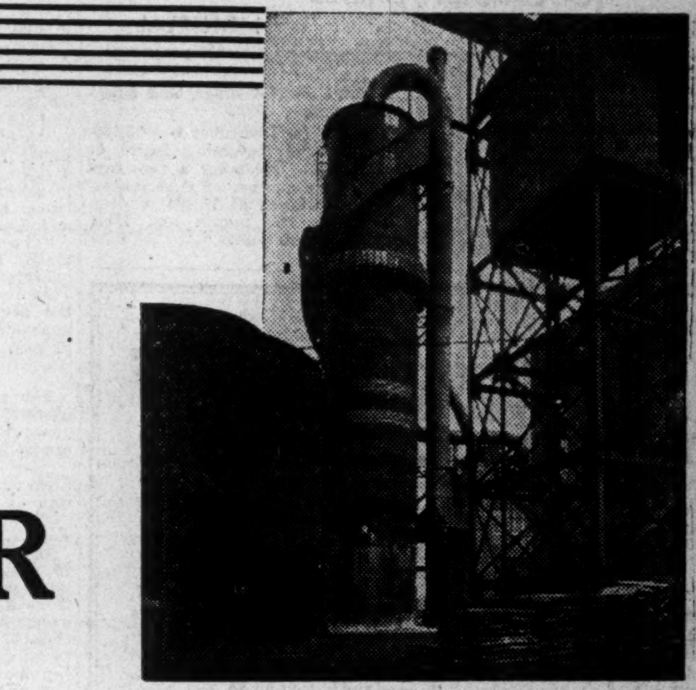

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4 ROYAL BANK BUILDING MONTREAL

Manitoba Telephone System Earnings Off in December

From Our Own Correspondent

MONTREAL.—Gross revenue of the Manitoba Telephone System for December, 1930, showed an increase over the preceding month, but was lower than in December, 1929. Revenue for December was $314,372, as compared with $310,855 in November, and $325,426 in December, 1929.

Net revenue for December was $5,189, a drop from the November figure of $6,013 and from December a year ago of $23,478. The number of subscribers' stations now stands at 78,604, a drop of 236 during the month and 1,042 lower than a year ago.

The Victoria Trust & Savings Company

THIRTY-FIFTH ANNUAL REPORT

The net earnings for the year after deducting interest paid, cost of management, etc., amounted to $140,801.08. Adding to this the balance in Profit and Loss Account gives a balance for distribution of $165,560.09. Out of this $80,000.00 has been paid in Dividends, $50,000.00 has been transferred to Reserve Fund, $11,000.00 reserved for Federal Taxes 1931, $2,000.00 has been written off Office Premises and the balance of $22,560.09 carried forward.

While we cannot point to a record increase in business for the past year we are still able to report most substantial progress and this in face of general business recession throughout Canada and the world at large. Our Total Assets show an increase of $461,098.17, while Profits due to a liberal provision for contingencies are somewhat below those of the previous year. Our 5 per cent Guaranteed Investment Receipts by a further increase of over $150,000.00 have fully maintained their popularity with the investing public. The drastic slump in the price of farm products has made it necessary for our numerous farmer patrons to dig deep into the savings of other years and our splendid growth was made possible entirely by the large number of new accounts received during the past year.

Our Estates Department has made an outstanding record by an increase of fully 100 per cent during the year and the earnings from this Department will soon be an important factor in our total revenues.

With the growth of 1930 our Company has reached a very important milestone in its progress. In thirty-five years we have seen our Reserve Fund grow from nothing to $800,000.00, making it equal to the Paid Up Capital, a position which must be most gratifying to our Shareholders and to friends of the Company generally.

All of which is respectfully submitted.

Lindsay, January 12th, 1931. WILLIAM FLAVELLE, *President*

UNBROKEN RECORD OF GROWTH

	ASSETS	RESERVE	PROFITS
1910	706,014.00	58,000.00	17,683.00
1915	1,444,019.00	160,000.00	46,700.00
1920	3,292,843.00	362,000.00	77,582.00
1925	5,218,820.00	565,000.00	118,015.00
1930	8,354,968.00	800,000.00	140,801.00

DIRECTORS

W. Flavelle, *President*
R. J. McLaughlin, K.C., *First Vice-President*
H. J. Lytle, *Second Vice-President*
J. B. Begg, W. Walden, J. A. White, M.D.
T. H. Stinson, K.C., M.P., Canon C. H. Marsh
C. E. Weeks, *Managing Director.*

Utilities and Transportation

QUEBEC POWER SHARE EARNINGS LARGER IN YEAR

Balance Sheet Records Drop in Working Capital

MONTREAL.—Quebec Power Co. reports earnings on its common stock in 1930 of $2.95 a share. This compares with $2.72, on the same number of shares, in the preceding year.

In the financial statement for the twelve months ended December 31 last, the management report a gross operating income of $3,677,102, as compared with $3,543,793 in the preceding year. After taking care of expenses, bond interest and the same amount of depreciation as in the former year, there remained a net profit in 1930 of $1,630,999, up from $1,502,527.

Details of Income

Full particulars of the profit and loss account follow:

	1930 $	1929 $	1928 $
Gross earn.	3,677,102	3,543,795	3,198,487
Op. exp., etc. .	1,296,103	1,303,016	1,228,183
Balance	2,380,999	2,240,779	1,970,304
Interest	600,000	588,252	620,580
Net earn.	1,780,999	1,652,527	1,349,724
Depreciation ...	150,000	150,000	150,000
Net profit	1,630,999	1,502,527	1,199,724
Dividends	1,382,995	1,162,975	901,986
*Surplus	248,004	339,552	297,738
Prev. surplus .	†291,416	†163,870	†252,960
Totals	539,420	503,422	550,698
To reserves ...	....	100,000	300,000
P. & L. bal. ...	539,420	403,422	250,698

*Subject to deduction for income tax.
†After adjustments.

Working Capital Lower

Several changes of importance took place in the balance sheet position of the company during the year. As at December 31 last assets stood at $32,133,933, or roughly the same as in the preceding year when $32,116,663 was reported. There was a decrease in working capital position, however, of approximately $1,200,000, which change is offset by a sum of over $1,000,000 in securities of subsidiaries held.

Cash assets are shown on the books at $194,904, down from $333,563. There has been a marked drop in call loans, a decline from $1,540,250 to $390,000 having taken place. Accounts receivable show an increase from $325,552 to $407,377. Inventories remain at about the same mark, while property account has advanuced from $20,643,165 to $20,867,363. The value of subsidiary's securities held increased from $8,911,904 to $9,939,207. Deferred charges are slightly higher at $49,086, while an amount of $25,262 shown as owing on customers' and employees' stock on the 1929 balance sheet has been wiped out.

On the liabilities side of the balance sheet, capital stock is carried at $17,571,305. Bonds have been reduced from $8,106,500 to $7,987,500. Debentures outstanding remain unchanged at $3,893,500. Accounts payable have been lowered from $411,533 to $327,429. General reserves still stands at $400,000, while depreciation reserve has been increased to $840,891.

Reviews Year's Operations

In his remarks to the shareholders, Julian C. Smith, president, said in part:

"There were added during the year to the company's distribution system, within the city of Quebec, five miles of lines of necessary transformers, etc., and in the rural districts, nineteen miles of transmission and distribution lines. The company now serves a population of approximately 250,000 people in seventy-three cities, towns and villages, including the cities of Quebec and Levis.

"The new gas plant which was completed at the end of 1929 has been operated efficiently during the year. This division shows a gradual increase, the average daily consumption being approximately one million cubic feet of gas.

Add to Customers

The records of the company show a gradual increase for the previous five years in the service, as indicated by the following table:

	1928	1929	1930
Elec.	39,024	40,683	42,497
Gas	9,963	10,275	10,854
Total	48,987	50,958	53,351

"In July of 1930 the lighting rates in the city of Quebec for domestic purposes were reduced by putting into force a sliding scale rate which is of great benefit to consumers of more than 32 kilowatt hours per month, or to all domestic lighting customers paying more than $1.60 per month, also the ordinary rate was reduced from 5½ to 5 cents net.

"During the year the company suffered severe losses by the deaths of Hon. Adelard Turgeon, C.M.G., C.V.O., and James M. McCarthy. The vacancies on the board of directors have been filled by the appointment of Colonel John H. Price and J. S. Royer.

Make Suitable Rates

"The company is fully aware that it is responsible for the supply of electricity in the city of Quebec at prices which are reasonable; reasonable to the citizens of Quebec in that they may obtain a commodity at prices comparable with other places under similar conditions, and reasonable to the company in that the return on the company's investment shall be sufficiently adequate to permit continued expansion of the company's service through its ability to obtain its requisite capital The company believes that it has carried out this policy in the past. The price at which domestic electric service and power service can be sold in Quebec or elsewhere depends to a very large extent upon the amount of energy taken by each individual consumer. The per capita consumption of energy is increasing in Quebec, and it is on this account that the company is confident that further reductions of rates will ultimately be justified."

Montreal Power Stresses Expense of Distribution

From Our Own Correspondent

MONTREAL.—In a circular, accompanying the current dividend check, Montreal Light, Heat and Power Consol. points out that too much attention is paid to the cost of generating electricity and not enough to the cost of distribution.

According to a reliable report, issued in connection with one of the largest hydro-electric enterprises on the continent, the cost of generating current at the switchboard of a typical hydro-electric system is approximately 7 per cent of the ultimate cost to the consumer; the balance being for transmission, distribution and service. Local conditions might vary the ratio of cost in Montreal, but under any circumstances the cost of generating electricity is a fraction of the total.

B. C. Power Net Income Advances for Half-Year

From Our Own Correspondent

MONTREAL.—During the first half of the current fiscal year, ended December last, British Columbia Power Corp. reported a gross operating income of $7,342,951—a gain of $91,478 over the corresponding period of the preceding year. Substantial savings were effected in operating costs, so that net operating income for the half year just ended totalled $3,508,563, compared to $3,149,267 in the six months ended December 31, 1929.

Operations of the company were affected in 1929-1930 by a water shortage and consequent restriction in power output and sales.

Measures have been taken to see that the company is free of the possibility of a shortage of power in future, through the construction of additional power units. Last November the first unit of the Ruskin project was brought into being, power from that plant being distributed in the Vancouver area. On Vancouver Island, the fourth unit was installed in the Jordan River plant, bringing the capacity of that unit up to 39,600 h.p. an increase of 16,000 h.p.

Major development work is going on and it is expected that the amount of power made available in the next three or four years will be sufficient to take care of the company's growing needs for many years to come.

Power Corp. Group Report Output Gain

From Our Own Correspondent

MONTREAL. — Power Corporation group of companies reported an output of 156,906,325 kilowatt hours of electric energy during December last. This compares with 144,638,477 during the preceding month and with $156,906,325 kilowatt hours in December, 1929.

Comparison of returns for December, 1930, with those of the same month in the previous year, show increases for Southern Canada Power, Canada Northern, B. C. Power, and decreases for East Kootenay and Winnipeg Electric and Manitoba Power combined.

Particulars follow:

	December 1929	December 1930
South. Canada	9,724,020	13,267,067
Canada North.	28,724,590	33,513,680
East Kootenay	9,226,400	6,862,800
B. C. Power ..	35,223,700	49,285,973
Northern B.C.	....	796,005
Wpg. Electric } Man. Power }	64,265,100	
Wpg. Electric		16,877,800
Man. Power		36,303,000
Total	146,163,810	156,906,325

BARCELONA COSTS UP IN DECEMBER, STUDENTS RIOTING

Gross and Net For 1930 Show Increase; Peseta Fluctuates Widely

Barcelona Traction Light & Power Co. net earnings for December were 6,252,827 pesetas as compared with 6,604,377 pesetas in December, 1929, a decline of 351,550 pesetas. Yet gross earnings from operation amounted to 9,695,470 pesetas in December, 1930, an increase of 96,171 pesetas over December, 1929. The decline results from an increase in operating expenses of 447,721 pesetas to 3,442,643 pesetas.

No explanation for the decline is given in the statement of earnings. Probably there is a connection between the increase in expenses and the martial rule established in Spain in mid-December after an abortive revolt by infantry and aviation forces. As this rule was not lifted by Premier Damaso Berenguer until January 24 it is possible that disturbed conditions may also affect January results.

Both aggregate gross and net earnings for 1930 showed an increase. Aggregate gross earnings were in December, 1930, 107,285,048 pesetas, a gain of 5,109,847 pesetas over 1929. Aggregate net earnings for the whole year were 70,281,998 pesetas, a gain of 4,916,080 pesetas over 1929. These figures are subject to provision for depreciation, bond interest, amortization and other financial charges of the operating companies in which Barcelona Traction is interested.

Rioting by Spanish students with decided Republican views is reported from Spain almost daily. Still more convincing financial evidence of disturbed conditions is the wide range of fluctuations of the peseta. There is extreme uncertainty in the foreign exchange market as to Spanish plans for stabilization of the peseta.

WINNIPEG TRAM PROBLEMS AIRED

From Our Own Correspondent

MONTREAL.—Though both Winnipeg Electric Co. and the Winnipeg civic authorities are agreed that something must be done to relieve the financial burdens of the tramway system, no action has been taken to remedy the situation.

It is claimed that Winnipeg Electric is not obtaining sufficient revenue to continue indefinitely the present operations. Relief from taxes now imposed is declared to be a questionable remedy and the fares have been advanced until it is agreed no further revenue may be expected from that source. The municipality is in a position where it cannot take over the property at replacement value. Nor can the city permit the system to be scrapped.

Pays Heavy Taxes

In a discussion on the subject between the city council and Edward Anderson, president, of Winnipeg Electric, the latter pointed out that the company and allied interests pay annually a total of $708,125. Last year the street railways's share, exclusive of the cost of removing snow from its right of way on city streets, to which it objects, was $445,963.62. Of this the larger amount, $165,648.26, was composed of the city's share of the gross fares. The next largest item of taxes was represented by paying maintenance and construction, $130,584.55. These two last items are also seriously objected to by the company, they claiming it is a relic of the horse car days and is not fairly a charge against an electrically operated service.

Public Utility Earnings

East Kootenay Power

December:	1930	1929
Gross revenue	$48,904	$48,763
Operating expense	19,781	23,854
Net income	29,123	24,909
Nine Months:		
Gross revenue	$410,453	$445,619
Operating income	132,522	157,685
Net income	277,931	289,934

B. C. Power Corp.

December:	1930	1929
Gross revenue	$1,257,229	$1,255,522
Operating expense	667,599	787,050
Net income	589,630	468,472
Six Months:		
Gross revenue	$7,342,951	$7,251,473
Operating expense	3,834,388	4,102,206
Net income	3,508,563	3,149,267

PLANS CALL FOR REORGANIZATION OF UTILITY INVEST.

Consolidated Public Utility Investment Co. is New Concern

From Our Own Correspondent

MONTREAL.—A new company has been formed with the name of Consolidated Public Utility Investment Co. to acquire Public Utility Investment Co. and Second Public Utility Investment Co. as going concerns. These companies may be acquired either for an exchange of shares, for cash or both.

Capitalization of the new company consists of an authorized amount of 50,000 shares of class 'A' common; 50,000 shares of class 'B' common and 20,000 of deferred or founders shares, all of no par value. The charter provides that the respective share classes may be alloted as decided upon by the directors at figures not exceeding $12 for the 'A' shares, $6 for the 'B' and $3 for the deferred shares. No details of the basis acquisition have yet been issued.

Public Utility Investment Co. is controlled by Second Public Utility Investment Co. Both companies carry on the business of investment trusts with a preponderance of stock investments in public utility companies.

During the past year the stock market decline has hampered earnings and though a dividend of 25 cents a share was paid on the common stock of first public utility in January, 1931, the disbursement was made out of reserves since earnings in the past six months were not sufficient to cover the dividend.

The company's share capital consists of 22,000 shares of no par common and 6,000 shares of deferred common. Second Public Utility has a capitalization of 40,000 shares of common and 10,000 shares of deferred. Through ownership of the deferred shares of First Utility it controls that company.

The Second Utility is stated to occupy much the same position as its subsidiary as regards current earnings.

Beauharnois Places Orders To $10,500,000

From Our Own Correspondent

MONTREAL.—Beauharnois Power Corp. has placed orders to-date for various kinds of equipment up to a value of $10,500,000, according to official information. This total includes the $300,000 of contracts recently let.

Of the amount contracted for, roughly 40 per cent is for construction equipment, as now in use on the project. The balance has been let for materials, such as steel, cement, lumber, waterwheels, generators, etc.

At least 80 per cent of the value of contracts placed to date, have gone to Canadian firms.

On Winter Schedule

Construction operations are now proceeding on a limited scale. Over 600 men have been employed since the beginning of the year. This compares with over 2,600 men on the payroll during the late autumn. Work underway at present includes rock excavation; rock drilling; reconditioning machinery and work at the carpenter shop, where are being made the concrete forms for this year's concrete operations.

The scheduled date for the commencement of this year's larger scale of operations is March 15. At that date, the number of men employed will be brought up to over 2,500, the number required for this year's operations.

MONTREAL COKE SOLD 95 PER CENT OUTPUT

From Our Own Correspondent

MONTREAL.—In 1930 Montreal Coke & Manufacturing Co. produced 350,000 tons of coke and sold 330,000 tons, thus disposing of 95 per cent of its output. Last year was the first period in which the company marketed virtually its entire annual production since incorporation four years ago.

The company, which sells its ouput under the name LaSalle, has carried out extensive advertising campaigns over the past two years, a factor which has evidently found reflection in sales.

Montreal Coke was formed in 1927 and is jointly owned, through stock control, by Montreal Light, Heat & Power and by a wholly owned subsidiary of the Koppers Co. of Delaware. The latter company supplied the coke ovens in use at the plant. The two companies later subscribed equally to an issue of $2,750,000, 6 per cent preferred stock which is presently outstanding. Public investment interest lies in an issue of $4,000,000 of 5½ per cent first mortgage bonds which were offered at par in 1927.

Property of Montreal Coke adjoins the Montreal Power gas plant at Ville LaSalle. This gas plant is leased to Montreal Coke while a by product plant is also operated producing tar and ammonium sulphate.

New Brunswick Telephone Changing System to Dial

MONTREAL.—New Brunswick Telephone Co. has completed the cut-over of 1,600 telephones in the northeastern section of Saint John from the manual to the dial system. Work to this end was started some six months ago and the change from the old to the new system was effected without any interruption in service.

CAN. NOR. POWER RAISES DIVIDEND COMMON STOCK

New Rate is 80 Cents a Share—December Earnings Up

From Our Own Correspondent

MONTREAL.—Canada Northern Power Corp., a subsidiary of Power Corp. of Canada, has increased the dividend on its common stock from 60 cents to 80 cents a share per annum. This represents an increase in quarterly payments of from 15 cents to 20 cents and the next disbursement at the new rate will be paid on April 25 to shareholders of record March 31.

There are 375,000 shares of common stock outstanding of which Power Corp. at June 30, 1930, owned 263,860 shares. Accordingly the new dividend rate indicates an increase of $52,772 in revenue to Power Corp. from this source.

Dividends Since 1929

Dividends have been paid on Canada Northern Power common since October, 1929, when an initial disbursement of 15 cents a share was made. This rate has been maintained quarterly until the present.

Earnings of the company for the eleven months ended November 30, 1930, amounted to $1,980,329, a decrease of $10,721 as compared with figures covering the same period in the previous year. Gross earnings for the eleven months were $32,273 higher at $2,897,525, but increased operating expenses offset this gain.

Earned 74 Cents a Share

In 1929 net earnings totalled $2,178,420 and after all deductions there remained a sum equal to 74 cent a share on the common. Preferred dividend requirements in 1929 totalled $468,577. Though 5,059 shares were sold in a customer ownership campaign in October, 1930, the sale did not increase the outstanding stock, the shares offered already being issued and privately held.

In addition to the preferred there is issued $17,000,000 of 5 per cent collateral trust bonds, which includes $2,000,000 of this issue sold in December, 1930.

December Profits Improve

Net earnings for 1930 are expected to compare favorably with those of the previous year for record profits estimated for December should offset the deficiency apparent at the end of eleven months of operations. About 70 per cent of the corporation's power load is absorbed by the gold mining industry, which, operating 24 hours a day, gives the power company a favorable load factor.

Output of Canada Northern Power Corp. in December, 1930, totalled 33,513,680 kw.h., an increase of about 13 per cent over December, 1929, and a record figure for a single month's production in the history of the company. The increase in production is a reflection of greater activity in gold mining plants served by the company and completion of its newly constructed hydro-electric development at the Upper Notch on the Montreal River.

ENGRAVERS AND PRINTERS

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A carefully selected group of high-grade securities, suitable for requirements of conservative investors, is offered in our February Bond List.

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ESTABLISHED 1869

The Real Estate Loan Company of Canada, Limited

BALANCE SHEET AS AT 31st DECEMBER, 1930

ASSETS

Real Estate held for sale		$ 35,293.09
Loans on Mortgages:		
Principal	$1,470,903.57	
Interest due and accrued	37,662.93	
		1,508,566.50
Loans on Stocks and Bonds		4,185.04
Dominion of Canada Bonds		15,135.60
Canadian Municipalities, School Districts and Rural Telephone Debentures		50,889.01
Cash on hand and in Chartered Banks		25,327.85
Agents in Great Britain		965.17
		$1,640,362.26

LIABILITIES

To the Public:		
Sterling Debentures and Accrued Interest thereon	$680,866.83	
Currency Debentures and Accrued Interest thereon	120,752.75	
Open Accounts and Provision for Accrued Taxes	3,757.33	
		$ 805,376.91
To the Shareholders		
Capital Stock Subscribed $500,000.00		
Capital Stock fully paid	500,000.00	
Rest	310,000.00	
Dividend No. 88, payable 2nd January, 1931	17,500.00	
Dividends Unclaimed	36.00	
Profit and Loss Account	7,449.35	
		834,985.35
		$1,640,362.26

PROFIT AND LOSS ACCOUNT—For Year Ending 31st December, 1930

Interest paid and accrued on money borrowed		$ 41,176.36
Expenses of money borrowed and lent		2,050.61
Cost of Management and Directors' Compensation		17,704.64
Government and Municipal Taxes paid and accrued		4,840.28
Dividends Nos. 87 and 88		35,000.00
Real Estate Reserve		4,531.05
Transferred to Rest Account		10,000.00
Balance carried forward		7,449.35
		$122,752.29
Balance forward, 31st December, 1929	$12,557.37	
Less: Voted at Annual Meeting to President and Vice-President	1,200.00	
Income from Interest on Investments		111,394.92
Income from Interest on Investments		11,394.92
		$122,752.29

AUDITORS' CERTIFICATE

We beg to report that we have audited the books and accounts of THE REAL ESTATE LOAN COMPANY OF CANADA, LIMITED, for the year ended 31st December, 1930, and have verified the Cash, Bank Balances and Securities of the Company. After due consideration, we have formed an independent opinion as to the position of the Company. In our opinion so formed, and according to the best of our information and explanations given us, we certify that the above Statements set forth fairly and truly the state of affairs of the Company and are in accordance with its books. All the transactions of the Company that have come within our notice have been within the powers of the Company.

S. W. BLACK,
H. J. WELCH, F.C.A., } Auditors.

WE HEREBY CERTIFY that to the best of our knowledge and belief, the above Statement is correct and shows truly and clearly the financial position of the Company's affairs as at 31st December, 1930.

H. W. MICKLE, *President.* H. WILBERFORCE AIKINS, *Vice-President.* E. L. MORTON, *Managing-Director.*

Toronto, 24th January, 1931.

APPRAISALS REPORTS INVESTIGATIONS

Industrials—Public Utilities—Natural Resources

How much is it worth?

THE establishment of "Fair Market Value" today requires the application of tested standards, rather than dogmatic opinion.

Recognition of this scientific basis of valuation is seen in the nation-wide endorsement of CANADIAN APPRAISAL SERVICE.

CANADIAN APPRAISAL COMPANY LIMITED
MONTREAL TORONTO WINNIPEG

1

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A Property Owner is usually at a disadvantage when he attempts to do his own selling. He is too close to his own property. Familiarity robs him of perspective, blurs his sense of values. He overlooks selling points which should be emphasized. Creative salesmanship is the qualified Real Estate Broker's specialty.

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Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
B.C. Telephone ..	4½%	1962	†Nov. 1	105
Stock Issues—				
National Grocers Ltd. 1st pfd.	8%	....	Feb. 14	110
Foreign Issues—				
Argentine Govt. .	*4½%	1888-9	Apr. 1	100
Norway	*6%	1943	Feb. 15	100

*Called in part.
†Or before.

Maclaren-Quebec Power Company
5½% First Mortgage Bonds, Series "A"
due February 1st, 1961.
Price: 94, yielding 5.93%
(Plus accrued interest and transfer tax)
R. A. DALY & CO.
LIMITED
80 KING STREET WEST
TORONTO

DOMINION TEXTILE CO., LIMITED
PRUE
MANUFACTURING
ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.
MONTREAL TORONTO WINNIPEG VANCOUVER

News of Investment Markets

U.S. BOND MARKET REACTS TO NEWS OF GIANT LOAN

Mellon Objects Strongly to $3,400,000,000 Project

WOULD RUIN PRICES

Increased Activity is Apparent in Canadian Municipal Financing

Offering of $12,000,000 5½ per cent first mortgage bonds of Maclaren-Quebec Power Co. and a definite call for tenders by the city of Ottawa brings out two important issues that have been held over for some months pending improved market conditions. Other issues may be expected to appear once the demand is thoroughly proven.

Satisfactory bids on an issue of $330,000 Kitchener 5's which were sold on a cost basis of 4.82 per cent and ready absorption of the $70,000,000 C. N. R. issues are taken as favorable signs indicating a strengthening market. Good municipal issues giving a yield around 4.90 per cent are in fair demand but are not available in any volume and inventories of investment houses are low. Greater activity in the municipal market would appear to be forthcoming. It is generally believed that Ottawa will get a good price since bonds of this city are in excellent demand both in Canada and the United States.

U. S. Bonds Weaken

While Canadian bond prices have held fairly well during the past week and Dominion bonds have shown signs of strength the market in the United States has been weakened through the proposal to issue some $3,400,000 of Federal bonds in order to redeem in cash adjusted service certificates held by world war veterans. While the proposal is not new the probabilities have been very remote until last week when it was again brought to the fore. Dumping of United States government securities by institutions and individuals had an immediate effect on price levels that spread through the entire bond market.

Offering of such a large amount of government securities at this time would cause a re-adjustment of bond prices and would further displace a large amount of corporate financing that is essential to industry. Andrew Mellon, secretary of the treasury, is strongly opposed to the plan and states that all existing United States bonds would immediately sell off to an extent that would seriously affect many of the smaller banks as well as many investors. The proposal would be equivalent to a capital levy on holders of all United States government securities. Passing of the law would automatically destroy capital values running into hundreds of millions of dollars.

Sum Up Objections

Mr. Mellon sums up his objections to the proposal as follows:

"There is no economic merit in the proposal. From the point of view of stimulating business, it is a plan for unmitigated inflation, with the disastrous results of which the world is only too familiar. On the investment side, it means exhaustion of the security markets and the creation of a serious impediment to business recovery both here and abroad. To the unemployed it spells further retardation of the day when normal employment will be available.

"From the point of view of the United States treasury it represents complete disorganization of an orderly programme for the refunding and retirement of our war debt and a tremendous increase in interest charges. To the taxpayer it means the destruction of all hope of the lightening of the load of taxation for years to come and a probable increase in taxes in the very near future.

"How the veterans and their families, who, after all, are an inseparable part of the American people and whose prosperity and welfare are inextricably bound up with the prosperity and welfare of all, can hope to find relief and improvement in their condition from the universal and destructive consequences which these measures would entail is beyond comprehension."

Strong opposition to the cash payment to ex-service men has come from a number of other sources but the action to be taken by congress remains to be seen and in the meantime the bond market in the United States will remain on an uncertain basis. The effect of the situation on bond prices has already been seen and weakness continues.

Canada's Basic Soundness

Wood, Gundy & Co. has briefly summarized Canada's basic soundness in a recent circular. The summary is interesting and reassuring to the investor in both bonds and stocks and is given as follows:

"During any period of business recession, there is an almost universal tendency to lay undue stress upon unfavorable developments and to give too little consideration to favorable basic conditions. This is a psychological fact which, so far as Canada is concerned, might be corrected by briefly reviewing certain fundamental sources of natural wealth and national prosperity.

"Agriculture continues to be the most important underlying factor in Canadian prosperity, and although our tremendous agricultural areas are suffering from world-wide conditions, there is no reason to fear that recovery is less certain than in similar previous periods. In 1930, official estimates indicate a Canadian wheat crop of 395,000,000 bus., compared with an average of 429,000,000 bus. during the preceding five years. The price of wheat is low, just as it is low in the case of cotton, rubber, copper, coffee and many other raw commodities. An eventual price adjustment should follow in the natural course of events.

"Forest products—Canada's second largest source of wealth—are suffering similarly, but in 1930, the value of all forest products produced in Canada is estimated at $332,450,000—a large sum in proportion to a population of approximately 9,800,000.

Newsprint Exports Hold

"The manufacture of newsprint—a product of forests—is feeling the effects of depression; notwithstanding this, the quantity of newsprint exported from Canada in the 12 months ended November 30, 1930, totalled 2,330,000 tons, and brought $134,014,000 of new money into this country. This is a larger sum than in any previous year, excepting 1929, in which year the total was $148,657,000.

"The value of minerals produced in Canada in 1930 is officially estimated at $276,000,000—the largest in any year in history, excepting 1929, in which year the value of minerals was placed at $310,000,000. This reduction is due to the fact that during 1930 price declines occurred in all minerals, excepting gold.

"Records of the value of manufactured products in 1930 have not yet been prepared, but for twelve months ended November 30th, 1930, total exports (including raw materials and manufactured goods) were valued at $907,600,000—a decline of 25.9 per cent compared with the corresponding 12 months ended November 30th, 1929. This reduction in dollar value is attributed partially to lower commodity prices.

"Electrical horse-power is an excellent barometer of industrial and social progress. In 1930, total installed capacity in Canada amounted to 6,125,000 h.p., compared with 5,350,000 h.p. in 1928 and 4,555,000 h.p. in 1926. The present figure indicates a higher per capita development than in any country in the world.

"Among all countries, Canada ranks first in production of newsprint, nickel, cobalt and asbestos; second in wheat and flour exports and automobile production and exports; third in production of gold and silver, and fourth in copper and lead.

"In the world's financial markets, Canadian credit ranks as high today as at any previous period in history. This is illustrated by a recent flotation of a Dominion of Canada loan in New York at a price higher than that at which any government bonds (excepting those of United States) have been sold in that market since 1914.

"The foregoing are among the fundamental reasons why Canada has not suffered unduly by the period of recession in world business existent since the middle of 1929. These factors should also facilitate Canada's recovery as world conditions improve."

Stock Markets Lack Leadership from Bonds

Growing confidence in stock market prospects because of increasing strength in the bond market received a rude jolt both in Canada and the United States because of the unexpected injection of the veterans' bonus issue with its maximum demand for the issue of about $3,400,000,000 in Government bonds to cash veterans' bonus bills which are not due until 1945. Even though informed opinion doubts very much whether such a rash measure would pass both houses and is confident that President Hoover would veto it if it did, the possibility of inflation of the Government's bonded indebtedness by even a billion dollars has stopped bond buying because purchasers fear that bond prices would weaken considerably.

Stock markets therefore lack leadership from the bond market and have on the whole been strong under the circumstances. Without support from statistics showing decided improvement in the business outlook, there is nevertheless a feeling that the period of convalescence of business is almost at hand. In Canada, savings are still growing, and it is probable that the best sign for the future is that stock fluctuations shall be narrow both ways. There is relative stability in the commodity markets and this is an element of strength. There is already evident in many lines a tendency of executives to buy raw material requirements to protect themselves against possible price advances. This may stimulate primary production.

Dividend cut of International Nickel from $1 to 60 cents a share annually on common stock was well received and stock stood up against the cut in a manner which indicated that it had been fully discounted. Page Hersey's annual report had a strengthening effect. The whole list was quiet except International Nickel and Walker's, trading in the latter dwindling as the week advanced.

January Bond Financing Set Record at $109,333,000

Canadian bond financing attained a record total for the month of January with $109,333,000 in long term maturities and a further $3,000,000 in one year treasury bills issued by Alberta. The record volume, however, was due entirely to the $70,000,000 Canadian National Railway Co. issue which was backed by a Dominion guarantee and $30,000,000 of Ontario bonds. The volume of municipal financing was well below the average for the month during the past ten years and the volume of corporation financing was the lowest in many years.

The C. N. R. issue was well absorbed and gave a tone to the market near the end of the month that was not noticeable a few weeks earlier. The Ontario issue sold more slowly and a certain amount is being held pending a better market. Good municipal issues met a fair demand.

The totals of January bond financing in Canada since 1921 have been compiled by Wood, Gundy & Co. and are as follows:

Year	Gov't. & Gov't guaranteed	Municipal and others	Corporation bonds	Total
1931	$105,444,000	$2,634,404	$1,255,000	$109,333,000
1930	23,058,000	7,525,332	15,000,000	45,583,332
1929	6,857,000	1,341,208	12,600,000	20,798,208
1928	6,000,000	713,288	26,731,000	33,444,288
1927	35,610,500	13,335,183	2,235,000	51,180,683
1926	9,200,000	12,479,083	10,475,000	32,154,083
1925	4,000,000	3,349,208	35,460,000	42,809,208
1924	55,335,000	22,382,520	8,585,000	86,302,520
1923	9,592,068	15,881,963	17,536,320	43,010,351
1922	21,736,000	2,228,114	4,250,000	28,214,114
1921	18,250,000	2,566,929	2,050,000	22,866,929

The above figures do not include any short time financing of less than one year.

Jenny Lind Candy Shops Offers Additional Preferred

Offering is being made of 3,500 7 per cent preference shares of Jenny Lind Candy Shops, Ltd., being the balance of an issue of 9,000 shares originally offered early in 1930. The company has opened a chain of 12 retail candy stores since October 17, 1930 and with the proceeds of the present offering intends to open new stores. It is proposed to open 38 additional stores during the next eight months in a number of Ontario cities.

In the 11 stores opened in 1930 the company states that net operating profit amounted to $14,000 in a 62-day period. Net operating profit on a chain of 50 stores is estimated at $150,000 a year.

The company has an authorized capital of $315,000 7 per cent preferred shares of $35 par value of which $255,000 will be issued upon placement of the present offering and 40,000 common shares of no par value of which 30,000 will be issued. The preferred shares are convertible into common on a share for share basis. The present offering is being made by L. A. McTavish & Co. at $35 per share with a bonus of one share of common with every two preference shares.

MACLAREN-QUEBEC POWER MORTGAGE BONDS ON MARKET

First Public Financing Covers an Issue of $12,000,000

From Our Own Correspondent

MONTREAL.— Maclaren-Quebec Power Co. is making a public offering this week, through Dominion Securities Corp., Newman, Sweezey & Co., Nesbitt, Thomson & Co., and Royal Securities Corp., of $12,000,000 of 5½ per cent first mortgage bonds, Series "A."

This company is carrying on hydro power development on the Lievre River, between Montreal and Ottawa, which will eventually provide the company with 245,000 h.p. of electrical energy. To date 86,000 h.p. of electrical energy has been installed and the full development will be carried out on schedule to meet contract demands.

Maclaren-Quebec Power will be completely controlled by the Maclaren Power and Paper Co. This is a holding company formed for the purpose of taking over the associated Maclaren interests, which include, in addition to the power developments, a newsprint mill with 75,000 tons annual capacity and extensive logging equipment.

The holding company, as well as James Maclaren Co. have no funded debt, capitalization consisting solely of common stock.

Details of Offering

Particulars of the present financing, as given in the official prospectus, follow:

$12,000,000
Maclaren-Quebec Power Co.
30-Year, 5½% 1st Mortgage S. F. Bonds
Series "A"

Dated: Feb. 1, 1931. Due: Feb. 1, 1961.

Capital:	Authorized	Outstanding
First mtge. bonds	$18,000,000	....
Series "A"	....	$12,000,000
Common stock ...	250,000 shs.	50,000 shs.
No par value.		

Company: Controls water powers on the Lievre River, P.Q., permitting installation of 245,000 h.p. Working on two sites. 86,000 h.p. developed at High Falls. Masson will have a capacity of 130,000 h.p. Work will proceed immediately.

Equity: Estimated by engineers that properties when completed to the full installation of 245,000 h.p. will have a value of $30,000,000. Upon completion of this plan, first mortgage bonds outstanding will total less than $74 a horsepower.

Contracts: Has a contract beyond maturity of these bonds with Ontario Power Commission for 125,000 h.p., deliveries to commence July 1, 1933. In addition, James Maclaren Co. has contracted for 66,000 h.p., full amount to be taken as from Jan. 1, 1931.

Earnings: Net earnings from above two contracts, after operating expenses, but before depreciation, will amount to $990,000 for year beginning July 1, 1933 and increasing to maximum of $2,177,000 for year beginning Nov. 1, 1936.

Security: First fixed and specific closed mortgage upon all properties and rights of the company now owned or hereafter acquired. Claims for privileges (liens) in connection with the construction work have been registered against certain of the company's properties. These claims are denied by the company, but sufficient cash to provide for them if substantiated, will be deposited with the trustee for the bondholders.

Offer: Dominion Securities Corp., Newman, Sweezey and Co., Nesbitt, Thomson and Co., Royal Securities Corp., at 94 and accrued interest, plus Federal transfer tax, to yield 5.93 per cent.

Bond Sales

KITCHENER, ONT.

The Dominion Bank has been awarded $330,000 5 per cent 20-installment debentures of Kitchener, Ont. on a bid of 101.43; cost basis 4.84 per cent. Debentures are dated February 1, 1931, and mature February 1, 1932-1951. There were 20 bids made for the issue with a spread of only 1.285 between the highest and lowest. Bids were as follows:

1 Dominion Bank	101.43
2 Harris MacKeen & Co.	101.181
3 Hodgson Bros. & Dunton	101.176
4 Matthews & Co.	101.137
5 Gairdner & Co.	101.122
6 Wood, Gundy & Co., Waterloo Bond Corp.	101.049
7 C. H. Burgess & Co.	101.04
8 J. L. Goad & Co.	100.941
9 Mead & Co.	100.794
10 Fry, Mills, Spence & Co.	100.781
11 R. A. Daly & Co., Bank of Nova Scotia	100.778
12 Bell, Gouinlock & Co., Hanson Bros.	100.68
13 A. E. Ames & Co.	100.537
14 Dyment, Anderson & Co.	100.371
15 Dominion Securities Corp., Imperial Bank	100.37
16 H. R. Bain & Co.	100.368
17 Hannaford, Birks & Co.	100.267
18 McLeod, Young, Weir & Co.	100.17
19 Cochran & Co.	100.145

PROVINCE OF ALBERTA

Alberta is reported to have sold $3,000,000 of 4 per cent treasury bills, maturing in one year to a syndicate composed of First National Bank, New York, Bank of Montreal and Salomon Bros. & Hutzler.

TOWN OF MIMICO

C. H. Burgess & Co. has been awarded $191,400 5½ per cent debentures of the town of Mimico, Ont., maturing in 5, 10, 15 and 30-installments at 101.27. Bids for the issue were as follows:

1. C. H. Burgess & Co.	101.27
2. Dyment, Anderson & Co.	101.07
3. Bank of Montreal	100.76
4. H. R. Bain & Co.	99.71

WIARTON, ONT.

J. L. Graham & Co. has purchased privately $15,000 5½ per cent 20-installment debentures of the Town of Wiarton on which bids were called and rejected. The last sale made by the town was in June, 1930, when C. H. Burgess & Co. bought privately $10,268 5 per cent 12-installment debentures and $17,643 5½ per cent 10-installment debentures.

CALLS ON INDUSTRY TO BE FAIR TO PUBLIC

Playing Game With Canadian Buyer Involves Good Quality Goods

Speaking at the Canadian Manufacturers' Luncheon in Hamilton, on Thursday, January 29, Elmer Davis, president of the C. M. A., said:

"He would be an unreasonable man who would deny that there are difficulties besetting us at present. On the other hand, I feel that we have been dwelling too much on the difficulties of the present, and emphasizing them out of all proportion to their relation to the future. What we need at the moment is to take the long view, and be guided in our judgments and actions by Canada's past experience of growth and development. In one thing I believe we can all find common ground, namely, our confidence in the ultimate future of Canada. May that confidence inspire our opinions and our policies at the present time. Encouraging indications are not lacking.

"An encouraging trend for manufacturers is the undoubted growth of the 'produced in Canada' sentiment which has taken place during the year just past. Manufacturers, as well as others, have spent a great deal of effort in recent years in endeavoring to foster and develop this sentiment in favor of Canadian products. There have been those who claimed that such sentiment was of little value in aiding Canadian industry, but I feel that the present attitude of the public mind in a measure at least refutes that opinion, and is an indication that Canadians are now prepared, not only prepared, but willing and anxious to buy Canadian products wherever possible. The action of some of our public corporations, notably our large transportation companies in giving very definite instructions that wherever it was at all possible Canadian goods and Canadian products should be utilized in their business, and that all their specifications should be redrafted so that Canadian manufacturers would have an equal chance with others in competing for their business, are at least encouraging indications, but while this is all true, there is another side to which we must give consideration.

"We as manufacturers must ourselves play the game. We must see to it that in the purchasing of our own requirements, Canadian products have first place wherever possible. We have no right to ask the Canadian purchasing public to buy our products if we in turn fail to be equally loyal to Canadian production in our own purchases.

"There is another responsibility that rests upon us as manufacturers, namely, to maintain the quality of our product, to improve the quality wherever that is possible, to give as large a variety of designs as is possible in our somewhat limited market, and with all this, we must reduce our cost of production. In other words, when asking the Canadian public to support us, we must be able to offer to them a product the equal of what can be bought from outside the country, and at a reasonable cost."

Bond Tenders

12 o'clock, Feb. 12, City of Ottawa—$1,176,441, 4½ per cent installment debentures comprising $181,845 for 10 years; $421,595 for 15 years; $523,000 for 20 years and $50,000 for 30 years. Interest payable Jan. and July 1. Sec., Board of Control. (See announcement on page 13).

10.45 a.m., February 5, Vancouver and Districts Joint Sewerage and Drainage Board—$600,000 4½ per cent 40-year debentures, maturing September 1, 1970. Guaranteed by the province of British Columbia. Payable as to principal and semi-annual interest at branches of the Canadian Bank of Commerce at Victoria, Vancouver, Winnipeg, Toronto Montreal, New York City or London, Eng. E. A. Cleveland, chairman.

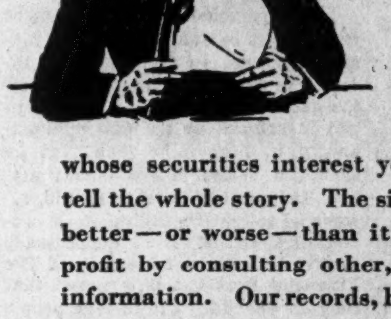
Feb. 16, Sainte Genevieve de Berthier—$85,000, 5 per cent, 30 year bonds dated Jan. 1, 1931, redeemable serially from Jan. 1, 1932 to Jan. 1, 1962. J. A. Boivin, sec.-treas.

7 o'clock, Feb. 19, School Commission of Rigaud—$4,800, 5 per cent, 40 year, serial bonds, dated July 1, 1929. J. Deom, sec.-treas.

Feb. 16, City of Sherbrooke—$445,000, 5 per cent, 30 year, serial bonds, dated March 1, 1931, maturing serially from March 1, 1932 to March 1, 1961 and $87,500, 5 per cent, 20 year, serial bonds, dated Feb. 1, 1931, maturing in series from Feb. 1, 1932 to Feb. 1, 1961. A. Deslauriers, city clerk.

Authorizations granted by the Saskatchewan Local Government Board from January 17 to January 31, 1931—Ulric No. 2432, $700, 10 yrs., 8%, sec.-treas. B. C. Halliwell, Hyas; Briarcliffe No. 302, $1,200, 10 yrs. Ann. N. E. 7%. Sec.-treas. R. A. Conlin, 2329 Cameron St., Regina; Naomi No. 4533, $1,500, 15 yrs. Ann. N. E. 8%. Sec.-treas. Mrs. Kathleen, Reidy, Ceylon; Neptune R. T. Co., $650, 6 yrs. Ann. N. E. 8%. Sec.-treas. David Bradley, Radville.

The Facts That You Should Know



It is plainly good business to study the reports and balance-sheets of corporations whose securities interest you. But they seldom tell the whole story. The situation is often much better—or worse—than it seems; and you may profit by consulting other, and carefully tested, information. Our records, built-up over a period of several years, contain many facts that should help you to make sound decisions, and we shall be glad to let you have our recommendations or advice about investment securities at any time. Call or write.

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S36

Cotton Textile Industry Production Dropped in 1929

The 80 plants engaged in the cotton textile industry in Canada in 1929 had production valued at $90,079,956 a decrease of 1,400,576 from the total in 1928, according to the report on the industry just issued by the Dominion Bureau of Statistics. Of the five major divisions of the industry, cotton yarn and cloth at $78,241,765 accounted for $977,817 of the decrease and cotton thread at $4,321,584 decreased by $143,397.

The total capital invested amounted to $104,985,047 of which $62,461,003 was fixed capital and $42,524,044 was working capital. Some 987 employees received salaries of $2,219,829 and 21,106 employees received wages of $16,333,108.

Accurately

Through our investment experience and service investors are genuinely helped in making intelligent selections—all with the purpose of most accurately fitting the bond to the investor.

H. R. BAIN & CO.
LIMITED
Investment Bankers
350 Bay Street, Toronto, Ont.

Wholly Secured Hospital Bonds

The 5¼% First Mortgage Gold Bonds of "Oeuvres de Notre-Dame-de-la-Merci", due 1932-1951, are wholly secured by grants from the Quebec Provincial Government and by a contract with the City of Montreal. These annual payments amount to $74,000 or $9,000 in excess of all interest and sinking fund charges.

Price: 100 and accrued interest
(plus transfer tax)

Full Particulars on request

RENE-T. LECLERC
Incorporated
240 St. James St. W., Montreal
(ESTABLISHED 1901)
E501

$800,000.00

Oeuvres de Notre-Dame-de-la-Merci
(Formerly Refuge de Notre-Dame-de-la-Merci)

5¼% First Mortgage Gold Bonds, wholly secured by a subsidy from the Quebec Provincial Government and by a contract with the City of Montreal.

Issued: February 1st, 1931. Maturing: February 1st 1932 to 1951.

Principal and semi-annual interest (February and August) payable at all the branches of the Banque Canadienne Nationale, in the Province of Quebec. Coupon bonds, in $1,000, $500 and $100 denominations, registerable as to capital.

Trustee: THE GENERAL TRUST OF CANADA, MONTREAL

SECURITY:—This issue is secured as follows:

1. By the deposit with the Trustee of $500,000 5% bonds, maturing from 1 to 20 years, which will be taken care of by the semi-annual payments of the Quebec Provincial Government in fulfillment of its grant of $500,000, payable during a period of 20 years. The payments totalling approximately $40,150 per year, will be used by the Trustee to meet the annual interest and Sinking Fund requirements of the present bond issue;
2. By the deposit with the Trustee of a contract between the City of Montreal and "Oeuvres de Notre-Dame-de-la-Merci", whereby the City agrees to pay to the Institution $34,218.75 each year, for a period of 20 years. The Trustee will use these payments to meet the interest and Sinking Fund requirements, on the present bond issue;
3. By a first mortgage on the properties of the Institution, in Ahuntsic, valued at approximately $900,000, and on the building on St-Paul Street, the value of which is about $75,000.

The annual payments by the Quebec Government and the City of Montreal will amount to more than $74,000, which is approximately $9,000 in excess of all interest and Sinking Fund charges, on this bond issue.

PRICE: PAR AND ACCRUED INTEREST,
plus federal transfer tax.

Banque Canadienne Nationale, Provincial Bank of Canada,
Crédit Anglo-Français, Limitée, Geoffrion & Co. Limited,
René-T. Leclerc, Inc., Lajoie, Robitaille & Cie. Limitée,
Ernest Savard, Limitée.

The statements contained in this ad. are not guaranteed, but are based on information which we believe reliable, and on which we acted in purchasing these securities.

Summary of Week's Annual Reports

A brief analysis of common stock earnings per annual statements received since last week's issue. Earnings per share are only shown when depreciation and income tax have been deducted; no calculation is made when profit is before these items. The market price is the close on Tuesday this week, or last sale. Company name in bold type indicates listed stocks. The net income shown, is before preferred dividends, if any.

Company	Year end.	Net income 1930 $	Net income 1929 $	Common share earnings 1930 $	Common share earnings 1929 $	Curr. divd. $	Surplus after dividends 1930 $	Surplus after dividends 1929 $	Mkt. $	MKT. times earn.	Yield %
Amal. Electric	Dec. 31	25,659	113,164	..	1.13	..	..	..	3	..	..
Building Products	Dec. 31	326,434	418,482	*2.70	3.41	2	84,742	206,442	24½	9	..
Catelli-Marconi	Nov. 30	†1,921	187,742	..	1.25	..	..	..	12	Nov...	..
Detroit Int. Bridge	Dec. 31	‡1,367,296	....	..	..	..	..	..	..	..	..
Hinde & Dauch	Dec. 31	7,522	191,711	.02½	.64	..	..	..	5	Dec...	..
Huron & Erie Mtge.	Dec. 31	511,615	507,088	§10.23	§10.14	8	111,615	107,088	150	14½	4.3
Ont. Loan & Deb.	Dec. 31	290,558	304,757	a7.26	a8.71	6	66,866	94,757	118	16¼	5.1
Montreal L. H. & Pr.	Dec. 31	8,943,584	8,737,638	2.19	b2.14	1.50	3,085,805	3,327,168	55	25	2.7
Moirs Ltd.	Dec. 31	78,836	64,322	2.95	2.72	2.50	248,004	339,552	42	14¼	5.9
Quebec Power	Dec. 31	1,639,999	1,502,527	5.17	4.25	..	..	..	..	..	..
Real Estate Loan	Dec. 31	44,423	41,405	8.88	8.28	7	9,423	6,405	105	12	6.7
Riverside Silk	Dec. 31	54,079	130,162	c1.80	c4.33	2	d5,921	d70,162	14	7¾	14.3
Rolland Paper	Dec. 31	f159,858	220,980	..	..	..	..	..	..	..	..
Twin City R. Tr.	Dec. 31	1,159,754	1,255,878	4.32	4.75	g4	69,754	165,878	11	2½	..

*On both Class "A" and "B." †Loss after interest on notes, bonds & debentures and amortization. b Adjusted to 2-1 split. §Based on paid-up capital paid up, $5,000,000. a 1930, paid-up capital $2,000,000; 1929, $1,750,000. c on class "A" stock. d Deficit after $2 paid on Class "A"; 50 cents paid on "B" out of surplus. f Before income tax. g Payable in scrip.

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold To	Rate	Maturity	Amount	Price	Basis
Kitchener	Jan. 28	Dominion Bank	5%	18-yr.	$330,000	101.43	4.82
Mimico	Jan.	C. H. Burgess & Co.	5½%	5, 10, 15, 30 ins.	191,400	101.27	...
Wiarton	Jan. 26	J. L. Graham & Co.	5½%	20-ins.	15,000	....	...
Kincardine No. 2299	Jan.	Locally	6%	5-yr.	435	....	...
Narrow Lake R. T. Co.	Jan.	Regina P. S. Sinking Fund	7%	10-yr.	2,000	....	...
Provincial—							
Alberta (Treasury Bills)	Jan.	First National Bank N.Y.; Bank of Montreal; Salomon Bros. & Hutzler, N.Y.	4%	1 yr.	3,000,000	....	...

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Offered	Yield
Oeuvres de Notre Dame-de-la-Merci	Jan.	Banque Can. Nationale, Banque Provinciale Ernest Savard, Credit Anglo-Francais	5¼%	1932-51	$800,000	100	...
Maclaren Quebec Power	Jan.	Dom. Securities; Nesbitt, Thomson & Newman, Sweezey & Co., Royal Securities	5½%	1961	12,000,000	94	5.93
Stock Issues—							
Jenny Lind Candy Shops	Jan.	L. A. McTavish & Co. (With bonus of 1 common share with each 2 preferred shares)	*7%	Pref.	3,500 shs.	$35	...
Nation-Wide Securities	Jan.	Pemberton & Son	Trust certificates "B"			....	...

*Not new financing.

THE FINANCIAL POST

Member Audit Bureau of Circulations

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Vice-President—HORACE T. HUNTER
Manager—GORDON RUTLEDGE
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A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

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DIRECTORY OF CANADIAN DIRECTORS AND OFFICIALS. Yearly, $10.

TORONTO, FEBRUARY 5, 1931

DIRECTORS ARE ELECTED TO DIRECT

IT IS not necessary to comment on the civil action nvolving the affairs of the bankrupt Manufacturers' Finance Corporation, now before the courts, to note that evidence placed in the case by reputable witnesses indicates a most sorry degree of mismanagement in that company.

Things went on in the Manufacturers' Finance Company that could not have gone on in any company that was being directed by its directors. It is obvious that many of the directors were willing to permit their names to appear on the directorate while stock was being sold to the public. but that they were not ready to give enough of their time to attendance at meetings and analysis of its affairs to protect the shareholders.

When the Manufacturers' Finance Corporation failed in August, 1928, The Financial Post published a list of directors of the corporation and suggested that these prominent men were derelict in their duty to the shareholders and the holders of the company's investment receipts. The operations of the company were carried on without regard for sound business principles and in a scandalously lax if not improper manner. It is obvious that the failure of the Manufacturers' Finance Corporation was not due to bad luck or to any normal turn in business fortunes. Investors are ready to assume ordinary business risks but they have a right to expect directors to do what they can to steer the company free from such rocks and shoals. When, as was apparently the case in this company, the directors permit irresponsible and incapable executives to smash a company through lack of proper surveillance by the board itself, then the directors have not played fair with the investing public.

Literature advertising securities in this company stressed the importance of the control that would be exercised by the directors. "If the men are right the business is right," the literature stated. The men were right but their inactivity was wrong. A serious and scandalous failure was the result.

Any business man who permits himself to be elected as director of a corporation should either give enough of his time to the affairs of the corporation to have some idea of its business and how it is being managed or he should resign. Nothing less is fair to the public, to investors or to the man himself.

"FLY-BY-NIGHT" CROOKS STILL ON JOB

RECENTLY The Financial Post was offered from New York the advertising of an "investment banker" who sought contacts with Canadian companies requiring new capital. The advertisement was not accepted for publication but the firm sending it was investigated and it was found that it had a very bad record. Its racket was to "reload" shareholders of companies requiring additional capital. The contract always involved a bonus of shares to the banker who made sure that his own bonus shares were sold before any of the firm's treasury shares were sold.

The incident illustrates that there are still many stock crooks in the United States who are ready to take a chance on circumventing the security frauds prevention legislation of Canadian provinces. Making their contacts first by mail and securing blocks of stock in Canadian companies to sell, they hope to come to Canada, hurriedly dispose of their securities before their activities come to the attention of the attorneys-general and get out without being caught. This type of crook is difficult to guard against and the best protection of the investor is caution, just as the best protection of a banker against forgers is not the law against forgery but his own care.

Recently, a New York newspaper published a series of exposures of "stocketeers" operating in that big city, which still remains the chief home of suckers despite its reputation for sophistication. In a number of the articles, reference was made to the Canadian careers of the crooks exposed.

There are undoubtedly fewer foreign stock crooks operating in Canada than before blue sky laws or security frauds laws were introduced in all the provinces. But these laws are not complete protection for investors. Many crooks are too smooth for them, and after all the laws are enforced by people whose abilities and weaknesses are those of human beings. The crown is only theoretically infallible.

There is seldom any investment which must be snapped up on a moment's notice. In fact, when an investor is urged to make an immediate decision on an investment proposition offered by an individual unknown to him, it is then that he should be most careful about acting. Independent advice should always be sought regarding stock promotion schemes. It is unnecessary to give this advice to readers of The Financial Post but it is urged that they do what they can to urge people less informed on financial matters to be careful.

TRADE PROMOTION —FOR WHOM?

THE International Trade Bureau of Canada has been organized with headquarters in Montreal for the purpose, according to its literature, of giving "free information regarding import and export business between Canada and other countries."

The secretary is stated to be F. W. Gerrish. No information is given as to the names of any directors, sponsors or financial supporters of the "Bureau." Its literature does, however, make use of the names of the Canadian Government, the C. P. R., and various advertising agencies, although it is not stated that any one of these so much as knows of the existence of the International Trade Bureau of Canada.

The Bureau apparently is not going to be inactive. It has hardly got started before it has made its presence felt. The very first letter received by The Financial Post on the letterhead of the Bureau, and signed by Mr. Gerrish, (B.A., Cambridge, C.A., England) reads as follows:

"On Sunday morning, February 15th, at the Monument National, there will be held a conference of organizations and individuals interested in forming a Canadian Society of Friends of the Soviet Union, in common with similar conferences all over Canada. An appeal is made to all interested in promoting friendly political, cultural and commercial relations with the Soviet Union.

"The rapid economic development of the Soviet Union is making the greatest potential market for Canadian goods at a time when export markets are becoming more vital than ever before. This Society will work to dissipate the prevalent ignorance regarding conditions in the Soviet Union which ignorance has caused malicious propaganda calculated to embitter relations between the Soviet Union and other countries, and also calculated to precipitate economic blockades and military preparations against the Soviet Union. All individuals interested in this movement are invited to attend the conference."

Most Soviet propagandists are less ingenuous than this. They work in more devious ways.

Probably the Trade Bureau will be out looking for money from Canadian manufacturers—if, of course, they are not amply financed from other and unnamed sources. Business men will be able to judge from the letter quoted above whether or not they want to support the institution.

AUDITING TOWN BOOKS

MOST of the difficulties that develop in the accounts of towns and smaller cities are due to inefficient bookkeeping methods or to lack of proper audit. Dishonesty is very rare. Most of the town treasurers in Canada are capable, hard-working men, sincere in purpose but often overloaded with work and understaffed. The tendency toward uniformity in municipal accounting has simplified their work. Nevertheless, the occasional revelations of confusion in municipal accounts suggest the need for stricter audits, preferably by independent auditors rather than solely by internal auditors, officials of the town.

The expense involved in having town books audited by outside chartered accountants no doubt looms largely when councillors discuss the subject. But a proper audit system will always pay for itself. if not in current savings, in insurance against possible large loss.

GOOD TASTE IN PUBLIC BUILDINGS

THERE has been a good response to a recent editorial suggestion in The Financial Post that the different governments in Canada—federal, provincial and municipal—employ the leading men in the architectural profession to design public buildings. At the present time practically all of the important public work is out of the field of private practice and is in the hands of departmental architects. These architects, while in many cases good practical men, are not the real leaders of the architectural profession in Canada. It cannot be expected that they would be such in view of the salaries available to departmental officials and the keen demand for genius in private practice. The net result of the present situation and the tendency to utilize departmental architects for public buildings is that most of the governmental structures in Canada are dull, uninspired and are not in any sense representative of the best work that is being executed by Canadian architects.

One exception is the new Parliament Buildings at Ottawa designed by private architects.

When visitors come into the various cities of Canada they naturally look first at our public buildings and when they find them wretchedly executed and designed they go away with a very poor impression of Canadian taste and artistry. Most government buildings in different parts of Canada cannot match the dignity and beauty of our private buildings such as the Canadian Bank of Commerce Building in Toronto, the Aldred Building in Montreal, the Canada Permanent Mortgage Corporation Building in Toronto, the Empress Hotel in Victoria, etc.

Canadian public buildings demand the best in architectural design and this can only be had by utilizing the services of the established leaders in the architectural profession.

UNPOPULAR

CANADA has certainly become unpopular, particularly in England and the British Empire, but also elsewhere in the world. Some of it is due to our own crude methods of doing business. We have too little and often no consideration for our customers or probable customers. Instead of encouraging and helping them with good quality and good service and treating them politely, we treat them brutally.

When they do complain we express no regrets; we make no explanations; we make no effort to improve our quality or service, and we often dictate to or snub our customers. When they can find other sources of supply they leave us.

But for this attitude and type of service on the part of our paper makers, our wheat pools and lesser interests, and the hundreds of millions taken out of our people by highly placed financial highwaymen—some of them members of parliament, who posed as mining operators—Canada would be in a splendid position today.

Some of our misrepresentations are undoubtedly due to foreign propaganda.

What Canada needs at Ottawa and at the head of our various provinces in our big industries is some really able man who can handle public relations. It needs the removal of handicaps on its national service publications, which are the media of adult education, agricultural, business, social, political.

EDITORIAL NOTES

Russia' plan to wrest world domination in asbestos from Canada is menacing but it will hardly set the world on fire.

* * *

Since International Nickel had to cut its dividend it was good advertising for its product to make the new rate a nickel a month.

* * *

Some American investment trusts purchase their own stock when it gets below liquidating value, which is equivalent to swallowing oneself.

* * *

Russia is promoting the breeding of the Canadian beaver. But we can not complain. Our own fur farms have unblushingly offered Russian sable for sale.

* * *

The Montreal Gazette has an editorial headed "Uncle Sam Stands Pat." There being a million Irish in the States, Uncle Sam has learned to stand Pat—and like him.

* * *

Some newspapers and politicians seem to be jealous of the travel stickers on Mr. Bennett's suit case. Business men will regard them as evidence of a direct and practical mind.

* * *

Joseph Djugashvili, when he is some day removed from the dictatorship of Russia, can get a job as an advertising copy writer. Any man who is bright enough to give up a name like that and call himself "Stalin," (which is Russian for Steel) has a well-developed propagandist imagination.

* * *

The proposal to stimulate business in the United Staes by cashing in the adjusted payment certificates of the soldiers at somewhere between $1,700,000,000 and $3,400,000,000 is exactly the type of radical proposal that arises out of "Lame Duck" Congresses. The fact that the mere suggestion of the proposal has caused a downturn in both stock and bond prices effectively disposes of the theory that the plan would help business. If it passes Congress, similar bonus schemes will undoubtedly be urged in Canada.

* * *

Workmanship in manufactured products and standardized quality in agricultural products are the keys to success in foreign trade. Recently the head of a Great Britain company paid a high tribute to the Norwegians and what he said of them may well be taken to heart by Canadians:

"I believe the remarkable expansion of Norway's foreign trade in recent years is due to this reputation for good workmanship which Norwegians are building up throughout the world. In the last fifteen years their foreign trade has almost doubled in value. That is a remarkable achievement in these days of keen international competition."

Other People's Views

Need of a Moderate Policy

Manitoba Free Press, Winnipeg.—The proposal that the three Prairie Provinces should have fiscal autonomy with the right to adopt a free trade policy if they wish is made by the delegates to the annual meeting of the Alberta Wheat Pool.

Only a few years ago the very same demand was heard in the Maritime Provinces, and lately there have been heard there again complaints of the effect of the new tariff upon those eastern provinces.

These things emphasize the fact that there are very different economic conditions in different parts of this widespread country and that a policy that may suit one part may not suit another

The only reasonable national policy under these circumstances is one in which there is the element of compromise, a policy of moderation. A policy that unduly favors one section at the expense of other sections is bound to cause discontent and friction.

POST-scripts

THE dog-eared and bromidic query "What's in a name?" may well be raised in connection with two recent scandalous failures—that of the Bank of United States in New York and that of G. A. Stimson and Company, self-styled as "Canada's Oldest Bond House," in Canada.

When the Bank of the United States failed, there was widespread consternation, more outside of the United States than in it. British, European and possibly Canadian financial folk were much perturbed, thinking that the failure of a bank with such a name indicated a more serious state of affairs in Wall Street than had previously been revealed. But the investigation into the affairs of the bank, that is now going on in New York, clearly indicates how badly the institution was managed by a group that recently got control of it and that traded on its name and its long history to use its funds for their own purposes.

When "The Oldest Bond House in Canada" failed, the event was played up in New York papers as something of great significance and it was taken to indicate the seriousness of affairs in Canada. But it is already known to readers of The Financial Post and it will be proven on investigation that the so-called oldest bond house bore little resemblance in its operations to the ordinary well-run investment banking firm, that it was not even a member of the Investment Bankers Association of Canada, having been asked to resign some years ago because its methods were not compatible with the standards of practice required of members of that body, and that, as in the case of the Bank of the United States, a new group had gotten control of an old established house and utilized in a manner not in keeping with whatever traditions the old firm may have had.

AN AUSTRALIAN business man remarked on a chilly day in Toronto recently: "I wish we had some of this snow and ice down under."

"It is invigorating" admitted the Toronto man who was with him.

"Oh I'm not thinking about the red blood side of it," answered the Ausie. "I'm thinking about our labor troubles and the constant strikes that have so increased the costs of production in Australia that we can not for years hope to become a factor in the world's export trade in anything but raw materials and only with difficulty in that field. The cold winters in Canada are the best strike breaker you have. A group of workingmen will not lay off on some pretended grievance when they have to contend with cold as well as hunger. But when a man needs few clothes and can sleep in the public park the year round he may not care much for working. That is one reason why labour troubles are more severe in Australia than in Canada."

IN THE Royal Bank Magazine for January, Morris W. Wilson, general manager of the bank, greeted the staff and wished them happiness in 1931. The editor of the magazine published Mr. Wilson's letter in facsimile. One of the members of the staff of The Financial Post, holding to the opinion that every bank man writes exactly the same way, thought it would be a real puzzler for a graphologist to read Mr. Wilson's character and attributes from this bilograph document and he passed the magazine on to a handwriting expert of his acquaintance. Here, in brief, is the graphological report on a bank general manager:

"A man of forward outlook, alert mind, keen intuition, interested in the other person's point of view. Has real appreciation of the arts and for all his apparent flexibility of mind yet has many dogmatic views and strength of will....he should spend each year near the restless yet abiding sea" (the graphologist by the way is a Nova Scotian and he probably tells every one this) "You can trust him with your cash. This is an unusual type of bank executive."

The graphologist probably did not intend those last two sentences to read exactly that way. He no doubt had two distinct thoughts in his mind.

Banking officers who lightly put their signatures on bank notes probably do not realize that every amateur graphologist in the country knows all about them.

WE SHALL have to invite Prof. Einstein to explain the difference between the British mile and the United States mile, and the British yard and the United States yard. If you think there is no difference, consult the new Financial and Economic Annual of Japan which, with that painstaking exactitude that marks all the activities of the citizens of the Japanese Empire, has apparently measured the respective standards in London and Washington and found them different.

The new Japan Annual declares that the Japanese "Ri" is the equivalent of 2,44030 British miles or 2.44029 United States miles. The "Ri" marine is the equivalent of 1.15152 British miles and only 1,15151 American miles. The "Tsubo" is the equivalent of 3.95369 square yards in Great Britain and 3.95367 square yards in the United States.

In the Mail

Calls For Pool Resignations

Editor, The Financial Post:

In the Financial Post of the 22 inst. you publish a letter from a member of the staff of the wheat pool. Your remarks on this letter are of interest and very much to the point. The real present danger to all Canada regarding the Pools is the wide split and rift that is proved to be between the wild platform talk of Mr. Burnell, the president, of the Manitoba Pool and his vice-president, and the methods adopted by Colin John MacFarland, now head of their Central Selling Agency. We know this very able grain man was placed there by Mr. Bennett and the bankers

At the present time, this man, Burnell, and his vice-president and the Manitoba Pool, are out hell-for-leather with wild talk for a 100 per cent forced pool and the destruction of the Winnipeg Grain Exchange.

Burnell, in the past, with his bombastic boasting of pegged $2 wheat was the man who sent Canadian wheat in England into discard and he has lost Canada up to date, millions.

Why should he cost us still more millions?

The bankers have enough power to order the grave danger to all Canada in the shape of these two men at once and for all time off the directorate of the Manitoba Pool before they do still greater harm? Will they act?

A world's wheat price expert published early in August, 1930, reports and forecasts that, had they been taken heed of and acted on at that time, would have saved the Canadian west millions of dollars, but these reports were sent to discard by the bankers, the pool and a large percenetage of the grain trade.

—EX-BRITISH GRAIN IMPORTER.
Winnipeg,
Jan. 25, 1931.

New Books

"Tate's Money Manual"

For over a century "Tate's Modern Cambist" has been issued in many editions till it has become established as the leading authority on the world's currencies, exchanges, and weights and measures systems. The impracticability of maintaining up-to-date editions of such a voluminous work except at intervals of some years, and at the same time the necessity that exists for keeping bankers, educationalists and the business community generally abreast of the constant changes nowadays taking place in all parts of the globe, have resulted in the inauguration of a series of annual supplementary volumes to the parent work, issued as "Tate's Money Manual," the 1931 edition of which is now announced.

The work comprises the amendments, alterations and additions to currencies, weights and measures, stamp duties, etc., that have taken place throughout the world since the publication of the Centenary edition of "Tate's Cambist" in 1929. Much of its material is due to the co-operation of many colonial and foreign governments and banks. Principal features are the London gold market, the stabilization of the currency of Czecho-Slovakia, the new coinage of Belgium, the projected new silver coinage of France—about which little has yet been heard — and the French gold question, Jugo-Slavian Spain and Turkey, the new currency of currency, exchange stabilization in Persia, reviews of Japan and her colonies, China (including Tibet and Manchuria), the monetary positions of the South American republics, the exchange difficulties of Australia, etc.

W. F. Spalding, editor of "Tate's Cambist," continues as editor of the "Manuels."

The money manuel is published by Effingham Wilson, 16, Copthall Ave., London, E.C.2, at five shillings.

"The Red Trade Menace"

Business men recently had the opportunity, in some Canadian centres, of reading an excellent series of articles on Russian business today by H. R. Knickerbocker. His articles, written for the New York Evening Post, were republished rather widely and have been generally accepted as the most accurate and independent opinion of Soviet economic development to appear since the Five Year Plan got under way. Now these articles are available in book form under the title of "The Red Trade Menace."

Mr. Knickerbocker appears to have approached his subject with no preconceived notions or prejudices of any kind regarding Russia. He visited the Gigant, the world's largest farm, the tractor plant at Stalingrad, the asbestos pits at Azbest, the giant steel plant under construction at Magnetosgorsk, the oil wells at Baku. He studied the railway systems, the food supply arrangements, the hotels, the homes and the smaller institutions and gives what strikes the reader as a fair picture. Mr. Knickerbocker got away from Moscow, where one must be impressed either by the propaganda of the Soviet chiefs or by the poverty of the general public, and into areas where great developments are going on. His conclusions, where he draws any, seem to be reasoned. Mr. Knickerbocker does not minimize the importance of the plans undertaken under the Five Year Plan nor does he exaggerate their probability of success.

For five, ten or fifteen years, Mr. Knickerbocker, thinks, Russia may be a good customer of the rest of the world, this during the period that will be growing in a constantly more dangerous competitor. In time she will be bound by her fundamental political philosophy to become a military aggressor, he believes.

Business men will have their own ideas, after reading this book of the possibility of Russia becoming a formidable business menace to other exporting or importing countries. The volume does not make rash forecasts but supplies evidence.

Knowledge of what is going on in Russia is essential to every business man, whatever his idea on Soviet political aims. This volume is a distinctly valuable addition to our knowledge of present-day Russia.

It is published in Canada by McClelland and Stewart, 215 Victoria Street, Toronto, at $2.50.

VANCOUVER BOARD REPORTS ON '30 TRADE

Manufacturing Found to Be About at 1928 Level Last Year

The majority of Vancouver's 1,600 manufacturing plants have experienced a fairly satisfactory year, according to a report received from the Vancouver Board of Trade. The volume of business on the average is stated to have been approximately equal to that of 1928.

The Board submits a brief but interesting résumé of the operations of various prominent industries. In regard to the lumber and shingle industry it shows that out of a group of forty-six mills which in 1929 accounted for 75 per cent of the total lumber cut, 30 mills were operating in the last six months of that year. These employed 9,400 hands and cut 667,751,000 ft. B.M. At the present time there are 21 mills in operation and during the second half of 1930 these employed 5,200 men and cut 472,800,000 ft. B.M.

Shingle mills are now running at 30 per cent capacity as compared with 44 per cent a year ago.

Canning Volume Up

The fruit and vegetable canning industry showed a marked improvement, packing approximately 1,500,000 cases during the year. This figure is 350,000 cases in excess of the pack for 1929 and 80,000 over the peak year of 1928. The amount of fruit canned was 25 per cent and vegetables 33 per cent greater, than in 1929.

Logging showed a decrease in total saw log cut of between 10 and 11 per cent for the first three quarters of 1930 as compared with the corresponding period in the previous year, and employment in the industry showed a reduction at about the same ratio. Prices held well during the first half-year, but since June 1 they have been approximately 16 per cent less than the average for 1929.

In the shipping industry during the last half of 1930 the average number of stevedores employed loading and discharging deep-sea vessels per day, was 538 as against 627 for the same period 1929.

While the total catch of commercial fish of all kinds for 11 months of last year was around 8 per cent of bigger volume than for the same period in 1929 its value was about $1,000,000 lower.

Stop Me If You've Heard This One

He was nattily dressed. His hair was just so, and he had such a congenial look.

"I am seeking a position," he confided to the railroad chief, "a position where the work will be light and not interfere with my clothes. And, of course, I shall expect a considerable salary."

The grizzled veteran sat back and looked him over. "You bet," he answered. "You've got the right idea. I'll keep you in mind, and when I find two jobs like that, you can have the other."

Favor Present Sales Tax To Bennett Turnover Plan

Quoting a wholesale hardware man who strongly recommends the present sales tax, with exemptions removed, as preferable to a turnover tax, Hardware and Metal says this week:

"At first glance it seems that the proposal to introduce a 2 per cent tax on the turnover of manufacturers and wholesalers is merely an elaboration of the sales tax plan, giving the government an opportunity to collect more revenue and to carry out its pre-election suggestions that the Sales Tax should be eliminated. In the face of such a declaration the government could hardly increase the rate of the sales tax and it could not leave it as it was because it was not a big enough revenue producer. So it appears that the best alternative is a turnover tax

A tax on a manufacturer's or wholesaler's turnover is little different to a tax on his individual sales except that it is figured periodically instead of on each sale. The elimination of exemptions will end a great deal of trouble, but competitive difficulties of another kind may arise. There is no doubt the pyramiding feature will be bad unless exemptions are provided as was the case under the sales tax. The 2% tax becomes virtually a 4% sales tax on an article sold normally from manufacturer to wholesaler to retailer, in addition to any other taxation which may have entered into the cost of the raw materials used by the manufacturer. The question arises as to whether or not the wholesaler will be placed at a disadvantage compared with the manufacturer in selling to the trade. If the rate of turnover tax was only ½ of 1% or even 1% this might not make such a great deal of difference but the rate of 2% is fairly substantial and may make considerable difference on some items. It may be necessary for manufacturers who sell direct to retailers and also to wholesalers to protect the latter in their prices because of the pyramiding of this tax."

As Others See Us

No Doubt Referring to Toronto's Big Packing Plants

Barrie Examiner.—The Financial Post last week had an editorial on "More and Better Hogs." The Post should be familiar with the subject. It is published in Toronto.

January Bond Sales Encouraging

Canadian bond sales for the first half of January amounted to $30,325,300, according to the weekly summary of A. E. Ames & Company. This compares with $44,146,499 for the whole of January, 1930, $36,200,369 for January, 1929, and $37,041,456 for January, 1928.

Prepare to Take Census

Preparations are under way for the taking of the 1931 census of Canada in which some 15,000 field workers will visit every Canadian home and take note of the number, sex, religion, nationality and other details of the occupants.

Business Reserves

Widespread use of Government bonds as a marketable business reserve is indicated in the balance sheets of Canadian corporations. We shall be pleased to suggest desirable securities to business concerns desiring to conform to this practice.

A. E. AMES & CO.
LIMITED
Business Established 1889
Montreal TORONTO New York
Vancouver Victoria London, Eng.

Consolidated Oka Sand & Gravel Company Limited
BRICK MOULDING CORE SAND CONCRETE ASPHALT PLASTER
WASHED RIVER SAND
PIT SAND
Truck and Rail Deliveries
HEAD OFFICE:
148 McCord Street. MONTREAL, Que.

WHEN REMITTING SEND CANADIAN NATIONAL EXPRESS MONEY ORDERS

Timely Investments
Williams, Partridge & Rapley, Limited
360 St. James St. W., Montreal

52% of Canada's Pulp and Paper Output

THE buying power of the Quebec city market is enriched with the wealth produced by the Province's great pulp and paper industry. Three hundred million dollars of capital are busy earning profits in Quebec's pulp and paper mills. Fifty-two percent of the entire Dominion's pulp and paper is produced here.

Twenty-two million dollars in salaries and wages, and forty-three million dollars for materials, are paid out by these mills each year.

To Quebec City flows much of the buying-power which this industry generates. Much of it is directly controlled by the business and professional executives of the city . . . men who hold the purse strings of stores, offices and factories.

Although relatively small in number, these men . . . and their families . . . strongly influence the buying habits of thousands of others by setting the fashions of personal purchases.

To capture the Quebec City market for *your* products, you need to sell these "key" groups. These concentrated groups, whatever the language of their birth, read the Chronicle-Telegraph . . . *the newspaper of new Quebec* . . . because it speaks their language of business and social leadership.

Quebec City's great buying power is further evidenced by the large volume of money which changes hands through its banks. Bank debits, which indicate only part of this amount, were over three-quarters of a billion dollars last year.

Chronicle-Telegraph
QUEBEC CITY

For advertising rates in the Newspaper of New Quebec address E. G. Smith, General Manager, Quebec, P.Q.

Business Conditions in Canada

RAPID EXPANSION IN RADIO OUTPUT SHOWN FOR 1929

Electrical Apparatus Industry Increased Production 21.5 p.c.

Rapid expansion by Canadian firms manufacturing electrical apparatus and equipment is shown in the report of the industry in 1929 just issued by the Dominion Bureau of Statistics. While the number of plants increased by only two in 1929 to a total of 139, the capital employed increased from $87,952,674 in 1928 to $101,767,108 in 1929 or 15.7 per cent and selling value of products increased to $113,796,002 from $93,672,452, a gain of 21.5 per cent.

Depression in 1921 and 1922 resulted in a decrease in value of production that had reached a high of $55,965,896 in 1920. In 1923, recovery was made so that by 1924 a new high level of $56,490,465 was attained and progress to the new 1929 high was steady. The industry has more than doubled the value of its production from 1920 to 1929.

The comparative figures for 1929 and 1928 are as follows:

	1929	1928
No. of plants	139	137
Capital employed	$101,767,108	$87,952,674
Av. No. employees	20,871	18,193
Salaries & wages	26,725,215	22,756,209
Cost of materials	49,623,322	38,784,421
Value added	64,172,680	54,888,031
Selling value	113,796,002	93,672,452

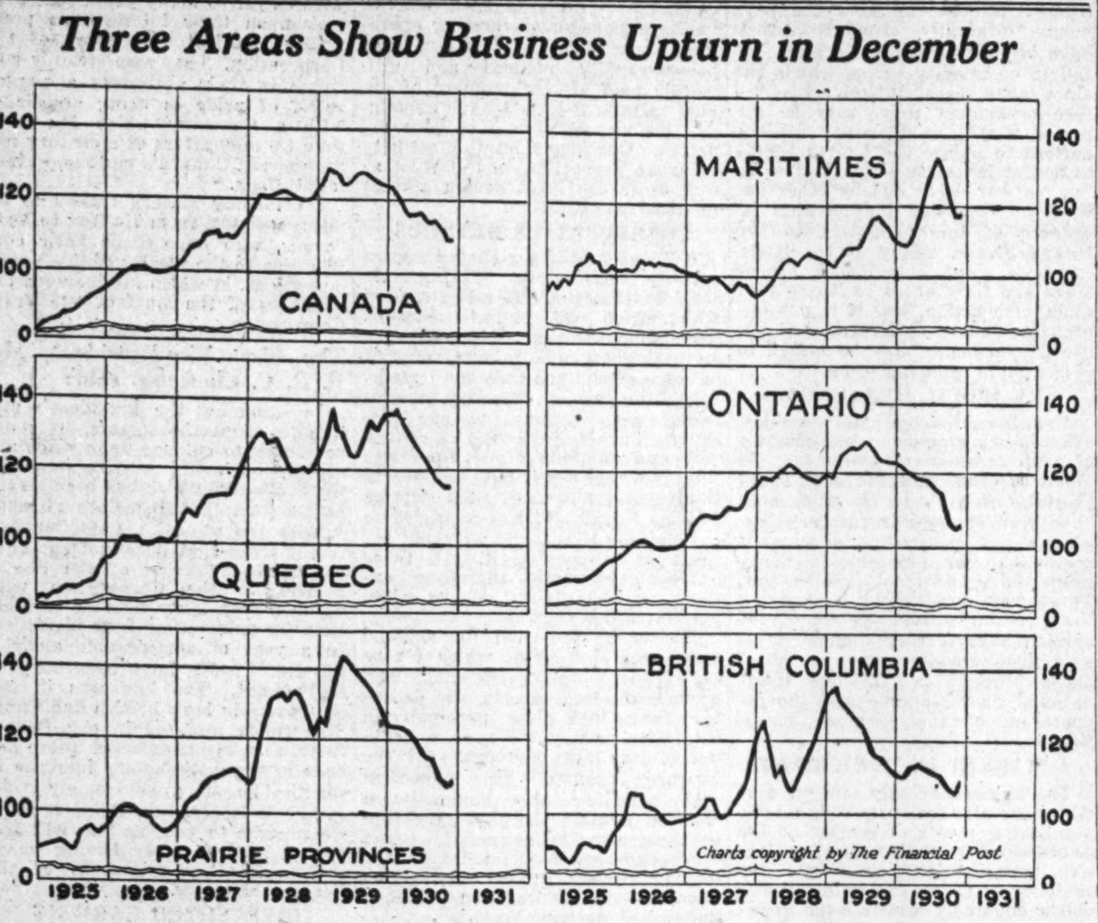
Among the products produced by this industry, wire and cable had a selling value of $25,213,603. Increasing use of aluminum cable is reflected in the substantial increase of 129 per cent in the output of aluminum wire and armored cable, while bare copper wire increased by 74 per cent to $7,828,316. Radios are next in importance to wire and cables from the standpoint of value of production and at $15,503,460 show a gain of over 74 per cent on the 1928 volume. This includes the output of radios by manufacturers of electrical appliances only. The total output of radios in 1929, by all manufacturers amounted to $20,996,137 or 65 per cent in excess of 1928 production. It would appear that firms specializing in electrical merchandise had made more rapid strides in this field during the past year.

Some of the most important items manufactured by the industry are listed as follows with value of 1929 production contrasted with that of 1928:

Product	Selling Value at Works 1929	1928
Batteries: Storage	$4,467,443	$4,590,984
Dry cell	3,144,640	3,437,410
Generators: A. C.	4,447,849	4,762,889
Incandescent lamps	5,216,880	5,137,051
Motors: A. C.	4,736,044	4,246,964
D. C.	1,663,683	1,052,079
Radio,* exclud. batteries	15,503,460	8,894,406
Refrigerators, electric	1,548,251	740,254
Switchboards	3,351,652	2,955,697
Switches	2,439,383	2,495,968
Telephone materials	8,785,136	7,162,409
Transformers:		
50 k.w. & over	5,171,499	5,581,266
50 k.w. & under	2,322,526	1,863,034
Vacuum cleaners	2,915,336	2,428,230
Wires and cables:		
Copper, bare	7,828,316	4,497,766
Copper, insulated	14,621,210	12,050,540
Other, incl. aluminum wire & armoured cable	2,764,077	1,208,726

*Includes only output of firms specializing in electrical equipment.

Three Areas Show Business Upturn in December



The indexes of business activity in Ontario and the Western areas showed promising gains during December, while conditions were not greatly altered in Quebec and the Maritimes. While the effects of unemployment relief may be reflected in the statistical returns for December, the whole exhibit makes considerably brighter statistical reading than has been available for some time. Building permits were greater in each of the five economic areas, while electric output, employment and regular placements in Government employment offices each showed gains in four of the economic areas. Each index is based on the monthly average for 1926 (equals 100) except in the case of electric output in the Maritimes, where the long term trend is used as the base.

Engraving Industry Is Subject of New Report

Initial report on the lithographing and engraving industry has been made by the Forest Products branch of the Dominion Bureau of Statistics for 1928 and 1929. The report covers firms specializing in this class of work but does not necessarily include firms in other industrial groups that carry on certain engraving or lithographing processes as a side-line.

There were 122 firms in 1929 and 119 in 1928 according to the report and value of production increased to $21,682,265 in 1929 from $19,207,658 the previous year. Capital employed amounted to $21,918,581 as against $19,975,562 in 1928, an increase of 9.7 per cent. The industry employed 5,667 persons in 1929, of which 1,081 were paid salaries of $2,649,705 and 4,586 received wages of $6,350,426. These figures do not necessarily represent the total for Canada but cover the firms primarily engaged in this industry.

Of the total number of plants, 68 are located in Ontario, 26 in Quebec, 10 in British Columbia, eight in Manitoba, three each in Nova Scotia and Alberta and two each in New Brunswick and Saskatchewan.

Upturn in Economic Areas Dimmed by Further Drop in Financial Post Index

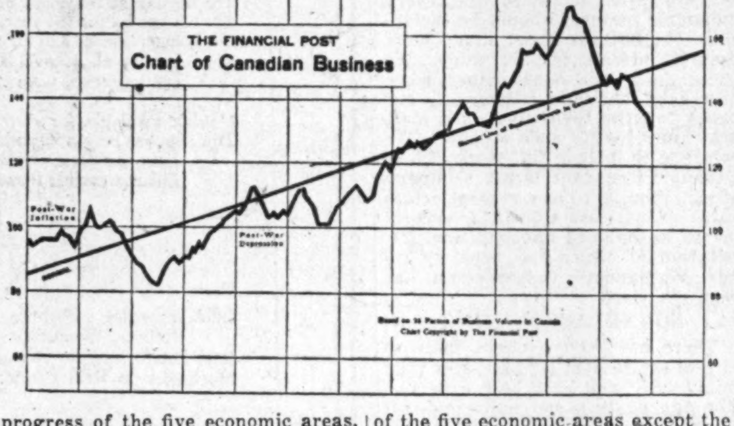
Seven Factors Show Business Improved in Ontario, Prairies and British Columbia During December, But 26 Factors Show Heavy Drop For All Canada

By SYDNEY B. SMITH

The December index of business activity in the five economic areas presents some surprises on the right side of the ledger. The indexes for Ontario and western areas showed substantial gains over the preceding month. The compilations for Quebec and the Maritime provinces showed very moderate recessions, the net result being that the general index for the Dominion was nearly maintained. It is refreshing to find that despite the disposition to regard the present trend as a gloomy one, the index shows that considerable resistance was made to depression even in the last month of 1930. The Financial Post index for Canada was 108.7 for December as against 109.8 in the preceding month.

While the value of the index consists mainly in showing the relative progress of the five economic areas, it should be recalled that the compilation consists of seven factors of barometric importance, adjusted for seasonal tendencies and weighted according to approved methods.

While this is decidedly encouraging it must be remembered that The Financial Post index of the physical volume of business, based on 26 factors, dropped rather sharply in December from the level of the preceding month. Standing at 131.0 in the last month of the year compared with 134.8 in November, the index receded owing mainly to several sharp declines in the imports of raw materials. The imports of raw cotton and rubber were much below normal. Steel production showed a slump and contracts awarded were considerably less. Increases in 14 factors were inadequate to counterbalance the decline in other directions. The output of gold and silver, nickel, zinc and asbestos showed gains. Sugar was refined in greater volume and the slaughtering industry was more active. Exports of lumber showed a gain. The output of automobiles was maintained after seasonal adjustment and the imports of crude petroleum was somewhat greater. Building permits and employment showed advances due in part to unemployment relief. Finally, bank debits and carloadings showed important gains.



Four Factors Increase

Of the seven factors used to chart business in the economic areas, four factors were particularly strong in December compared with the preceding month. Building permits presented a remarkable exhibit in the last month of the year. After adjustment for seasonal tendencies, the gain over November was no less than 87 per cent. Increases were not confined to any single economic area but were general in each of the five divisions. In the period of observation from 1920 to the present time the total of building permits for December was only once exceeded for the month, the amount for December, 1928, having been larger.

Counterbalancing the excellent showing of building permits, the tendency in the award of construction contracts was decidedly adverse, declines being general in the five economic areas, except in British Columbia.

Unemployment Relief Enters

Owing partly to the stabilizing effect of unemployment relief the index of employment after seasonal adjustment was slightly higher on January 2 than at the beginning of December. The adjusted index for the month under review was 108.5, compared with 107.5, a gain of about one per cent. It is also a matter of satisfaction that the gain after seasonal adjustment was so nearly general throughout the Dominion. The only economic area showing a decline in December was the Prairie Provinces. Activity in the employment offices also showed marked gain in December. Regular placements after adjustment for seasonal tendencies were much greater in each of the five economic areas except the Maritime Provinces. The gains were especially heavy in Ontario and the Prairie Provinces.

The output of central electric stations not only indicates the progress of one of our most important industries but also furnishes one of the best barometers of economic activity. It is significant that after adjustment for seasonal tendencies the production of electric energy was considerable greater in each of the economic areas except British Columbia where the output was practically maintained. Here is a case where a gain was also made in 1930 over the preceding year. The long term growth is so steep that the cyclical movement in 1930 was more than counterbalanced. The output in 1930 was 17,828,000 kilowatt hours compared with 17,633,000,000 kw.h. in 1929, the increase being more than one per cent. Exports in 1930 were 1,620,000,000 kw.h. compared with 1,444,000,000 kw.h. in 1929. Deducting the exports, the consumption in Canada in 1930 was 16,208,000,000 kw.h., still showing a slight gain over the consumption of 16,188,000,000 kw.h. in 1929.

Index by Areas

In the Maritime Provinces, substantial gains were made in building permits, employment and the amount of electric energy. As the remaining factors showed a decline the business index was 116.6 compared with 117.5 in November.

The business index in Quebec was nearly maintained at 115.0 compared with 115.3 in the preceding month. Gains were scored in building permits, electrical output, employment and regular placements in government employment offices.

As five factors showed gains in Ontario, the business index moved up from 103.9 in November to 105.6 in December. Increases were shown in building permits, electric output, employment, bank debits and regular placements.

Four factors in the Prairie Provinces showed gains during December. These included building permits, electric output, sales of insurance, and regular placements. The business index was 109.0 compared with 107.3 in the preceding month.

Considerable more new business was obtained by the construction industry in British Columbia, as contract awards and building permits showed pronounced gains. Employment and regular placements were also in greater volume, the business index consequently showing an increase from 103.4 to 107.2 in December.

Canadian Fisheries produced a total catch of 1,063,094,900 lbs. in 1929 with a value of $53,518,521 of which exports amounted to $37,546,393. Imports amounted to $4,233,906. There were 80,450 persons employed in the industry which had a capital investment of $62,579,444.

1931 BUYING POWER INCREASED IN WEST BY DAIRYING, HOGS

Drop in Grain Prices Not Reflected in Other Revenue

Although the estimated value of principal grain crops in the three Western provinces has declined 46 per cent from the 1929 level, the prospects of other agricultural products as sources of additional revenue to farmers should not be overlooked according to the W. Sanford Evans Statistical Service of Winnipeg.

Preliminary figures show that while revenue from principal grain crops has declined 46 per cent, the value of livestock sales has declined only 26 per cent and the value of dairy produce has dropped only 12 per cent. The report says:

"There has been no appreciable reduction in dairy production. The decrease in value is altogether on account of lower prices.

"In the livestock class, hogs have maintained both volume of sales and value. Indeed they have probably been the most profitable item in farm produce this year. Their principal feed, barley, has been obtainable in ample quantities at low prices and the price of hogs has declined relatively very little. Farmers are striving to take advantage of these favorable conditions and a considerable increase in hog holdings is likely in the spring of 1931.

"Cattle prices are 35 to 40 per cent below the corresponding date last year. The sales in 1930 have also been much lower. These lower sales reflect two conditions. First in the fall of 1929 a scarcity of grain fodder and of pasturage caused some heavy liquidation of unfinished cattle. This naturally reduced volume of sales in the early part of 1930. Then later in the 1930 crop season, as it became apparent that there would be fairly ample supplies of feed grain at low prices, the tendency was to curtail the movement of partly fed stock to market and to bring the animals up to a higher standard. More than ordinary numbers of cattle are therefore likely to come forward in the spring of 1931."

COKE OUTPUT IN 1930 NEARED 1929 RECORD

December Coal Production Was 24 P.C. Below Five-year Average

Canadian collieries produced 1,274,857 tons of coal in December or 3 per cent below November output of 1,315,420 tons and 24 per cent below the five year average for December. Bituminous coal produced amounted to 877,186 tons; sub-bituminous, 54,961 tons and lignite coal 342,710 tons.

Imports totalled 1,223,032 tons or 18 per cent below the five-year average for December. Anthracite receipts totalled 301,802 tons of which 248,398 tons came from the United States and 46,348 tons from Great Britain with small receipts from Germany and French East Indies. Bituminous imports of 918,327 tons came largely from the United States. Canadian coal exports declined 50 per cent below the five year average, consisting of 55,061 tons of bituminous and 5,667 tons of lignite coal.

Coke production in 1930 at 2,354,026 short tons has only been exceeded in 1929. Exports of 29,801 tons compare with imports of 1,061,433 tons which gives Canada an apparent consumption in 1930 of 3,385,658 tons, as compared with 3,879,226 tons in 1929 and 3,343,098 tons in 1928. Sales increased to 1,063,112 tons from 1,028,435 tons in 1929, while tonnage used in metallurgical works declined to 951,748 tons from 1,302,008 tons in 1929.

Sheet Metal Output Increased 7 P.C. in 1929

Sheet metal products manufactured in Canada during 1929 were valued at $53,151,698, according to the Dominion Bureau of Statistics. This value was 7 per cent higher than the 1928 figure of $49,846,671.

Products made by the firms in this industry included tin cans, galvanized sheets, sheet metal building material, corrugated iron products, steel office furniture, bottle caps, conduit pipe, tinware, kitchenware, galvanized ware, enamelled ware, culverts, stove and furnace pipes, metal and metal covered doors, metal refrigerators, eave trough, dairy supplies.

Of the 152 plants reporting in this industry, 84 operated in Ontario, 19 in Quebec, 19 in British Columbia, 14 in Manitoba, 9 in Alberta, 3 in New Brunswick, 2 in Saskatchewan, and 1 in each of Prince Edward Island and Nova Scotia. These firms reported fixed and operating capital at $49,080,661, and employed a monthly average of 9,286 people who received $11,228,170 as salaries and wages for the year.

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Weekly Latest 1930	1929	Cumulative Jan. 1, to date 1930	1929
C. P. R. Gross earn. (Jan. 21, '31)	$ 2,701,000	$ 3,179,000	$ 7,610,000	$ 8,619,000
C. N. R. Gross earn. (Jan. 21, '31)	$ 3,120,037	$ 3,995,004	$ 8,948,547	$ 11,335,569
Car Loadings (Jan. 24, '31)	47,613	58,319	175,043	210,711
Common Stock Index (Jan. 29, '31)	108.3	162.8	......	......
Production—	Monthly			
Pig Iron, tons (December)	38,293	82,632	747,448	1,080,160
Steel, tons (December)	56,101	82,415	1,011,743	1,378,024
Newsprint, tons (December)	184,755	230,008	2,499,631	2,728,827
Automobiles (December)	5,622	4,825	154,192	262,625
Boots and Shoes, pr. (Nov.)	1,124,798	1,473,741	16,023,190	18,230,074
Flour, bbls. (November)	1,739,375	1,628,015	15,419,320	17,480,151
Mineral Production—				
Gold, oz. (November)	197,186	150,418	1,877,515	1,758,657
Silver, oz. (November)	2,361,778	1,519,883	24,233,060	20,988,082
Nickel, tons (November)	3,545	7,545	49,187	49,720
Copper, tons (November)	10,868	12,060	140,693	111,350
Lead, tons (November)	11,707	12,072	150,236	147,103
Zinc, tons (November)	11,916	7,225	122,128	89,282
Coal, tons (November)	1,315,420	1,534,190	13,496,982	16,011,519
Natural gas, M. cu. ft. (Nov.)	2,841,803	2,722,461	25,483,805	24,638,439
Petroleum, bbls. (November)	160,726	114,337	1,370,827	1,019,328
Automobile Financing—				
Used Cars (October)	$ 2,475,741	$ 2,971,643	$ 29,666,142	$ 35,723,222
New Cars (October)	$ 1,266,065	$ 3,869,531	$ 27,054,381	$ 44,267,656
Construction—				
Building Permits (December)	$ 15,439,964	$ 14,688,682	$ 163,789,670	$ 234,914,549
Contracts (Jan., '31)	$ 20,299,100	$ 37,529,900	....	....
Labor—				
Employment Index (Dec.)	108.5	119.1	......	......
Trade—				
Imports (December)	$ 60,337,934	$ 84,365,155	$1,008,518,218	$1,298,992,682
Exports (December)	$ 66,819,668	$ 88,520,355	$ 885,906,366	$1,182,412,313
Imports of Key Products—				
Rubber, lbs. (December)	3,016,000	4,735,000	59,990,866	79,472,786
Cotton, lbs. (December)	12,343,000	13,029,000	100,483,000	196,838,967
Sugar, lbs. (December)	42,914,700	45,025,900	812,654,100	837,362,900
Petroleum, crude, gal. (Dec.)	69,387,926	67,060,193	529,477,372	1,062,649,576
Coal, tons (December)	1,223,032	1,484,436	17,619,974	18,190,055
Exports of Key Products—				
Newsprint, cwt. (October)	3,896,395	4,024,998	34,631,795	45,933,076
Automobiles, No. (December)	3,708	4,910	45,361	102,382
Wheat, bush. (December)	22,230,397	15,960,792	207,761,067	211,945,589
Wheat, flour, bbls. (December)	601,891	604,979	7,514,778	9,573,880
Electric Power—Output—				
M. Kilowatt hours (December)	1,541,918	1,535,332	17,720,583	17,626,228
Population—				
Emigration (November)	1,476	6,089	40,365	65,332
Immigration (July)	8,383	16,465	80,178	117,824
Finance—				
Failures, No. (Nov.)	222	164	2,163	1,93[illegible]
Failures, Liabilities (Nov.)	$ 3,296,000	....	43,861,515	....
Bank Debits (December)	$3,012,000,000	$3,805,000,000	$37,491,077,931	$46,671,333,084
Bond Sales (December)	$ 34,131,954	$ 122,921,059	$ 763,022,307	$ 653,388,550
Insurance Sales (Dec.)	$ 49,874,000	$ 55,350,000	$ 568,056,000	$ 614,727,00[illegible]
Wholesale Prices (1913=100)—				
General Index (December)	77.8	96.2	......	.....
Iron and its products (Nov.)	89.4	93.4	......	.....
Cottons, raw	62.6	100.2	......	.....
Grains	44.8	50.5	......	.....
Live stock	92.0	111.5	......	.....

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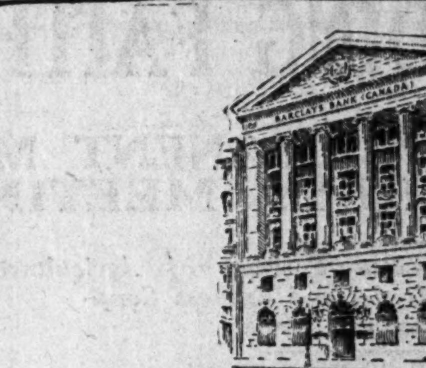

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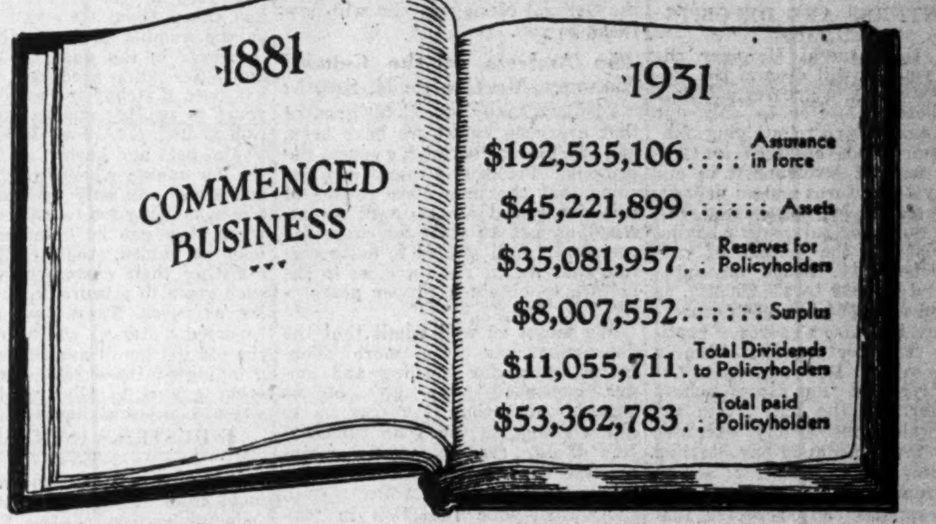

During the fifty years the Company has been in existence it has paid to policyholders and beneficiaries over $53,000,000. It now holds for their benefit over $43,000,000. These amounts combined exceed by $5,500,000 the amount received from policyholders.

The new business for the year was $26,856,811. In the past ten years the Company has doubled its assurance in force, its income and its payments to policyholders. Its assets during the same period have increased two and one-half times. They represent $122 for every $100 of liabilities.

Over 75% of its assets are invested in mortgages, government and other bonds and preferred stocks. The market value of its assets exceeds the book value by $378,046—a significant fact in these days of deflated security values.

The interest rate earned on the Company's investments during 1930 was 6.14% practically equalling the interest rate earned in 1929. The total surplus earned in 1930 was $1,918,454.

The Company paid to policyholders in dividends during 1930 the sum of $1,198,418. It will maintain the same satisfactory scale of dividends during 1931.

The North American Life Assurance Company commences its second half century, proud of its record of service and of its present financial position, and confident of the future.

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NORTH AMERICAN LIFE ASSURANCE COMPANY

AN ABIDING FAITH IN THIS COUNTRY

CANADA PERMANENT MORTGAGE CORPORATION 76th ANNUAL MEETING OF SHAREHOLDERS

Addresses Survey Present Position of Agriculture, Industry and Trade, and Express Confidence in Canada

REPORT SHOWS THE CORPORATION IN PARTICULARLY STRONG POSITION

CAPITAL, RESERVE AND SURPLUS AT $15,466,707

Cash and High-Grade Liquid Securities Total $7,000,000 or 47% of Deposits

ASSETS INCREASE BY $2,665,000 OVER 1929

The annual meeting of the Canada Permanent Mortgage Corporation was held in the company's magnificent new building in the City of Toronto on Friday, the 30th of January.

Addresses were delivered by the President, Mr. W. G. Gooderham; the First Vice-President, Mr. E. R. C. Clarkson, and the Second Vice-President and General Manager, Mr. George H. Smith.

The President, Mr. W. G. Gooderham, addressed the meeting.

It is with the greatest possible pleasure that we welcome you to the first general meeeting in our new premises. The new building is not only pleasing in architectural design, most substantially constructed, with all its appointments in keeping with its general character, but in addition is thoroughly equipped to enable us to give the utmost in the way of service, not only to our many thousands of former customers, but also to the new clients who have been and are being, in steadily increasing numbers, attracted to us by our convenient location, combined with the improved facilities we now offer and the safety, security and service they find in transacting their business with an institution which for nearly seventy-six years has steadily increased in strength and in the confidence of the saving and investing public.

CANADA'S SOUND ECONOMIC STRUCTURE

We present to you today the results of our operations during a year which has severely tested our financial and business corporations. That they have been able to make such satisfactory reports as are generally being presented at this period of annual stock-taking is a tribute not only to their intrinsically sound position and to the conservatism and ability with which their affairs are administered, but also to the fundamentally sound basis upon which Canada's economic and commercial structure has been raised.

NET PROFITS SATISFACTORY

As was to have been expected, reduced profits are the general rule, especially when compared with the previous very active year. The net profits of the "Canada Permanent," after all deductions, were about $69,000 less than in the record year of 1929, a reduction of not quite one per cent of the paid-up capital, a result upon which we heartily congratulate ourselves.

DEBENTURES AND DEPOSITS INCREASE

When the General Manager addresses you, he will discuss the financial statement in greater detail. I shall, therefore, refer to only one or two particularly gratifying features. Our funds obtained in Canada, by way of investments in our Currency Debentures and on deposit, have increased by upwards of $2,400,000, the principal growth having taken place in the volume of currency debentures, which amounted at the end of 1930 to $26,263,911, as compared with $24,488,236 the previous year. It is also a source of gratification that, for the first time in several years, the aggregate of moneys received from Great Britain is greater. At the May Term the withdrawals considerably exceeded the new investments in our Sterling Debentures, but subsequently and at the November Term the situation was so satisfactorily reversed that for the year there has been an increase of £21,452.

The increase of $633,000 in our deposits is moderate but, under the conditions which have prevailed, we consider it satisfactory.

IMPREGNABLE LIQUIDITY

Owing to the uncertainty with which the financial skies were beclouded, we deemed it advisable to add to our investments in Government and other high-grade bonds and in other ways to maintain an impregnable position of liquidity. In these securities and in cash, we held at the end of the year an aggregate of about $7,000,000, equal to nearly 47 per cent of the total deposits. This may have, to a slight extent, temporarily reduced our earning power, but it added very materially to the security and comfort of our position.

TRUST COMPANY'S GROWTH

In the securities which we have mentioned as contributing to our liquid position we, of course, do not include the stock of our Trust Company. The Canada Permanent Trust Company has also shown a satisfactory growth during the past year. The Reserve Fund has been increased to $400,000 and its assets under administration now amount to $25,482,070. When these are added to the Corporation's Assets, it will be seen that your Directors and the Management have the responsibility of administering in your interests, and in the interests of those who have thus manifested their confidence in us, the large sum of nearly $95,000,000, compared with $36,215,407 ten years ago.

The Trust Company is serving an annually increasing number of satisfied clients, many of whom have expressed in flattering terms their appreciation of the manner in which their affairs have been managed and their interests safeguarded. We confidently offer the satisfaction and protection of its service to the Shareholders of the Mortgage Corporation, who will thus be doubly furthering their own interests.

ABIDING FAITH IN CANADA

Practically everyone is inquiring, either of someone he hopes may be able to enlighten him, or of himself, when our interrupted period of prosperity is to be renewed. From neither of these sources is he obtaining a satisfactory answer. I do not propose to offer any prophecy concerning this important question. But of this I am absolutely certain: Canada's progress cannot be permanently halted. In my long and active business career we have surmounted more and greater difficulties than those now facing us, and on more than one occasion when we were not as well equipped as we now are to meet them. I have an abiding faith in this Country of great opportunity, as everyone must have who is at all acquainted with its resources. We are only on the threshold of their development, and as this development proceeds Canada must inevitably become the home of largely increased numbers of prosperous and contented citizens.

SANE OPTIMISM

At the moment, with nothing in the form of figures and statistics to encourage it, there appears to be a more confident spirit emerging from the gloom which has enveloped us. Such a spirit of sane optimism need not, and does not, ignore the difficulties of the present situation nor the possibility of their continuance. But it also recognizes the underlying factors which must sooner or later make for increased production. Even in the face of the prevailing low prices, or perhaps because of these, such a mental attitude is justified, as if we have continued evidence of the stability of these prices they are certain to induce buying and increase the demand for goods to be manufactured in larger quantities. Many commodities are selling at prices below the pre-war figures of 1913. This small patch of blue sky does not necessarily mean that the storm has passed. The clouds may again hide it, but it reminds us that the sky is still behind the clouds and assures us that those clouds will one day be dispersed.

EMPIRE TRADE

May we not also cherish the hope that there may be an important contribution to the return of "better times" resulting from the efforts of all those who are earnestly striving for the development of a much larger measure of intra-Empire trade, and from the negotiations which are to be resumed in Ottawa this year.

Before presenting the usual motion for the adoption of the Report, I shall give you an opportunity of listening to some observations from the General Manager, who will now speak to you.

The Address of the General Manager, Mr. George H. Smith:

I believe I may take it for granted that everyone knows we have been, and are, passing through a severe depression. Probably I might also assume that the immediate causes of this depression are so well understood as not to call for extended comment. And yet, is it quite certain that we are not too close to the picture to obtain a proper perspective?

We might as well admit that the depression has been more deep-rooted, more far-reaching and longer continued than any of us thought probable. It forces us to again recognize the wide ramification of our economic relationships and the inter-dependence of peoples geographically remote.

A world-wide reduction in purchasing ability, arising from various causes, has resulted in an apparent over-production of nearly everything the world needs. The dire prediction made by Malthus in the early part of the nineteenth century that population would at a comparatively early date outstrip the means of subsistence has been falsified by the fact of elevators choked with grain for which there cannot be found purchasers. Instead of an insufficiency of the means of subsistence, we have an over-abundance, or rather a maldistribution.

THE WHEAT SURPLUS

That a portion of the existing surplus of Canadian wheat, for which there is not an immediate market, is admittedly due to a mistaken policy in relation to the marketing of the 1929 crop does not help the present situation. Fortunately, however, the newly appointed General Manager of the Canadian Wheat Pools has been prompt to recognize the advisability of a change of policy, and in announcing on the 10th December last the withdrawal of the Pools' direct representatives overseas, in an effort "to win the confidence and goodwill of British importers and millers," he expressed his "firm conviction that this change in policy will have immediate and favorable effects in strengthening the demand for Canadian wheat overseas." This and other equally hopeful opinions from one of Mr. McFarland's long experience in the grain trade practically assure us that a remedy will be found for the ills from which the Canadian farmers are suffering.

YIELDS AND PRICES

Notwithstanding practically a total failure for the second successive year in large portions of Southern and Central Saskatchewan, Canada produced nearly 400,000,000 bushels of wheat, quite an average yield. The oats and barley crops were also above the average. The crops on the Prairies were most economically harvested. As in 1929, there was no invitation extended to laborers from the East, whereas in earlier years the "harvesters' excursions" have brought as many as 50,000 laborers into the West. The crop ripened early, was of an unusually good quality, and early deliveries were made of a large proportion of the wheat grown in the southern portions of the three Provinces, about 90 per cent of it being of contract grade, and, fortunately, realized much better prices than those which have more recently prevailed. In some of the northern districts, however, protracted wet weather retarded threshing, with a resultant severe deterioration in quality, which has reduced the selling value almost to the vanishing point.

A COMPARISON WITH 1921

It will be seen that the almost complete extinction of the purchasing power of the West is directly attributable, except in districts where there was a crop failure, in which districts there exists real distress, not to less than an average yield, but to the unprofitable prices obtainable.

It may not be out of place, however, to point out that very serious reductions in grain quotations took place during the severe depression which prevailed more or less from 1921 to 1924, and when the farmers were much more heavily burdened with obligations of various kinds, and therefore, less favorably situated to recover from the disastrous effects of the poor returns from their crops. From that depression we emerged into the period of extraordinary prosperity which continued in an increasing ratio till 1929.

According to the Canada Year Book the average price of wheat in 1919 was $2.37 per bushel, which fell in 1921 to 81 cents, and in 1923 to 67 cents. The highest average price in subsequent years was $1.23 in 1925, while in 1929 the average is reported to have been $1.16.

A SILVER LINING

There are other features which do something to provide a silver lining, however, narrow as it may be, to the black clouds overhanging the West. In a report from one of our Western Managers he says: "The position of our farmers who engage in mixed farming is generally satisfactory, while the unsatisfactory prices, coupled with the difficulties in marketing grain, will in a large measure induce our farmers to engage more in diversified farming in all its branches." It is to be hoped this prediction may be verified by experience. It is now almost unanimously recognized that in the gradual development of this radical change in farming methods, in localities where it is practicable, lies the assurance of financial independence for the Western farmer. In a more recent statement by Mr. John I. McFarland, from whom I have already taken the liberty to quote, he said:

"We have found by painful experience that there is not an unlimited market for our grain, and we must insure against such a period of low grain prices as we are now passing through by producing on the farm more farm essentials."

GREATER DIVERSIFICATION

For indications of a change in this respect, some of us have been straining our eyes for years. Encouragement, while not great, is not altogether absent. There was an increase last year in the number of cattle and sheep, though a small reduction in the number of hogs; there were increases in the quantity of butter and other dairy products, and there has been a steady increase in recent years in poultry and in the production of honey. A considerable quantity of oats and barley, as well as of the low quality wheat, which at present prices can only be marketed at a loss, is being fed to cattle and hogs when they can be obtained, and, it may be added, that creditors are assisting their customers who have such grain to procure stock for feeding purposes. There have also been reported instances of the revival of the old grist mill and of the custom grinding of the farmers' wheat and other grains to obviate the necessity of his purchasing flour and feed.

INDUSTRIES INCREASE IN WEST

We can also draw some encouragement from the fact that the gradual industrialization of the West continues. Notwithstanding the unfavorable conditions, it is reported that in 1930 thirty-two new industries were established in Manitoba, that there were twelve expansions of existing industries and that sixteen manufacturers added new lines during the year. The expenditure in mining development in Manitoba continued on a scale at least equal to 1929, when it amounted to $12,500,000. This development reached the stage where the largest mine began production late in the year and another is expected to do so early this year.

CHEAP POWER FEATURE IN EXPANSION

We need not underestimate the vital importance of agriculture to the prosperity of Canada, but we should not fail to recognize the important advance which has taken place in recent years of other industries, largely related to the natural resources with which Canada is so richly endowed. The provision of cheap electric power, through the development in various parts of the country of its water powers, has been one of the notable features of our expansion in recent years. This continued so actively in 1930 that new installations brought into operation aggregated 397,850 horsepower, bringing the total to 6,125,000 horsepower at the end of the year. Construction continues on a number of undertakings, several of which are of outstanding magnitude, the completion of which during the next two or three years will add more than 1,500,000 horsepower to the Dominion's total. The large program of construction in 1930 represented an expenditure of probably $80,000,000, while a further sum of $300,000,000 will be similarly expended during the next two or three years, more than 11,000 men being at present employed in this construction work.

This hydro-electric development has been an important contributing influence in the development of our other resources, particularly of our mines and of the pulp and paper as well as other manufacturing industries, some of which only a comparatively short time ago were so nearly non-existent as to make only an unimportant contribution to the production of Canada.

CANADA'S MINERAL PRODUCTION

By reason of drastic reductions in the prices of most metals, the total value of Canada's mineral production in 1930 decreased eleven per cent from the record output of $310,850,426 in 1929 to $276,865,000. New records were established both in quantity and value in gold, petroleum and natural gas, while more copper, lead, silver and zinc were produced than in any previous year.

The production of gold for the first time exceeded two million ounces, having a value of about $43,000,000, and in all probability Canada's gold production now exceeds that of the United States, placing Canada second among the gold-producing nations of the world.

To the production of ore there has been and is being added the smelting and refining of those ores, providing employment in Canada for large additional numbers. More than 95,000 men were employed in the various branches of the mining industry, who received $125,000,000 in salaries and wages.

RESEARCH LOWERS COSTS

Important assistance is also being given to our industries by those who are devoting themselves to research. By a new process for burning Canadian pyrite ore, sulphur can be produced at a cost which it is estimated will be a saving to the newsprint and chemical industries of $1,600,000 annually; will greatly reduce our imports of sulphur, besides providing in the by-product one-eighth of the total requirements of iron ore of the Provinces of Ontario and Quebec, and very materially add to the freight revenue of our railways.

It is also confidently expected that the bounties on iron recently established by Ontario will result in the near future in an important development of our low-grade iron ores.

Newsprint production, steel production and the aggregate of construction contracts, while less than in either 1929 or 1928, were greater than in 1927, which was a year in which business was considered to be reasonably satisfactory.

CONFIDENCE IN THE FUTURE

Compared with the reduced output of our factories and the inactivity of the wholesale trade, retail sales show only a small decrease from 1929, and have recently afforded evidences of improvement. One of our largest merchandising companies recently announced that in December both the number of sales and the aggregate cash value thereof, notwithstanding reduced prices, exceeded any month in its history.

Other assurances of increased business activity in the future are derived from the fact that large manufacturing companies in the United States are again establishing branches in Canada. Numbers of these branch factories were located here in past years, but for a time this policy was not continued to nearly as great an extent as formerly. Many others are now seeing the advisability of manufacturing in Canada for the Canadian and Empire markets. Even the British manufacturer is beginning to realize that his interests may be served in the same way, and it is not unlikely that the example of a few who already have branches here may be followed by others.

A line of steamers making regular sailing from Canada to Africa, and the splendid steamers sailing between Canada and the West Indies, are contributing, and may be expected to make much greater contributions to the Country's trade. There was a satisfactory increase in freight tonnage and custom receipts at the Port of Halifax.

UNCALLED-FOR REACTION TO DEPRESSION

Much of the foregoing is obviously and confessedly for the purpose of indicating that the picture is not entirely drab. Has there not been far too much talk about this depression? In this we may all have been to some extent culpable. If it could be kept out of the headlines for a little, we might get a clearer view of its true proportions. Thousands of people whose income has been affected only to a slight extent, if at all, have become so frightened by the picture of gloom daily presented, and by the apprehension of further disaster ahead, that they have strictly vetoed all expenditures that they can possibly avoid. If such persons were to merely resume their normal purchases, employment would be provided for many others. I am a consistent advocate of thrift, but unnecessary hoarding induced by panic is always an evil. A writer on financial subjects recently quoted an old fable, as follows:

"A pilgrim met the plague going into Smyrna. 'What are you going for?' 'To kill three thousand people,' answered the plague. Some time after they met again. 'But you killed twenty thousand,' said the pilgrim. 'No,' answered the plague. 'I killed but three thousand. It was fear killed the others.'"

GOLD AND COMMODITY PRICES

While we have been concerned chiefly with a discussion of what we may designate the immediate causes of the depression, and of the extent to which it has influenced and is likely to influence Canadian business, it is important to note that the most eminent economists in all the leading nations are giving a great deal of consideration to the fundamental reasons for the rapid fall in commodity prices from which has arisen a world-wide stagnation in business; or, as they express it, an investigation of the causes of the fluctuations in the purchasing power of gold. They seem to be agreed that the supply of gold is not keeping pace with the normal increase in demand arising from the increase of world trade, and that this is seriously complicated by the extent to which the United States and France have accumulated an undue and rapidly increasing proportion of the world's gold reserves. It is stated that sixty per cent of the world's gold is held by these two nations. To this Great Britain has been an involuntary contributor, at very great cost, by the obligations arising out of the heavy war debt to the United States. Onerous as were the payments originally stipulated, they have become doubly so through the fall in commodity prices which has since taken place. It seems that before permanent relief may be expected it will be necessary for the nations to induce the United States to accept Britain's original offer to forgive war debts due by other nations on condition that Britain be relieved of this obligation to the United States. Many of the latter country's most experienced economists and far-sighted bankers favor some such action, and it is not improbable that considerations of political expediency may be forced to give way to economic necessity.

REMEDIAL MEASURES

Meantime, international consideration is being given to the question of what remedial measures may be taken to counteract the anticipated shortage of gold. In the past there have been changes in currency legislation and practice but for which it is stated an uncomfortable deficiency would have occurred before this. Those who are specially studying the question appear to be of the opinion that further economies in gold requirements may be introduced through a previous international understanding and the cooperation of the various Central Banks.

A MARKET IN THE ORIENT

The unprecedentedly low price of silver has also seriously reduced the purchasing power of certain of the countries of the Orient. If any effective measures to rehabilitate the currency of China can be evolved it will undoubtedly reinstate the growing market for Canadian wheat, flour and other products, which last year almost disappeared. While portions of China may in time produce sufficient wheat for that country's own requirements, and possibly a surplus for export, this cannot be brought about immediately, and in the meantime, while our farmers are gradually diversifying their production, an increase in exports of wheat and flour to China may be of considerable assistance to the stabilization of grain prices.

ASSETS INCREASE $2,665,000

The Statement we have had the privilege of submitting to you may very well be left to speak for itself. The President brought to your attention the fact that both our Sterling and Currency Debentures increased during the year, and that there was also an increase in deposits. The total Assets are $2,665,000 greater than at the close of the previous year. The aggregate amount of mortgages is about the same as a year ago, while Dominion and Provincial bonds and bonds guaranteed by the Dominion and Provinces have been increased by $1,113,000, and we have added moderately to our holding of bonds of a few Canadian municipalities of the highest standing.

"CANADA PERMANENT" CONSERVATISM

All our bonds and stocks are carried in our accounts at or below present market values. In the later months of 1930 we experienced weak security markets and in most cases bonds and stocks purchased earlier in the year were quoted at prices considerably below the prices at which they had been acquired. All these were written down to the market values current on 31st December, notwithstanding the fact that in the aggregate the market values of our bonds and stocks were already in excess of aggregate book values. We preferred, however, that every individual security should be included in our Balance Sheet at not more than its present market value. We write down our book values when necessary, but it is contrary to our policy to write them up even if market values justify such a course. We continue to include the stock of The Canada Permanent Trust Company at par, though it has a present actual value of not less than 143, according to its Balance Sheet, in the preparation of which the usual "Canada Permanent", conservatism has been exercised.

SOUND ACCOUNTING

There has been a slight increase in real estate held for sale, less than might very well have been expected. The aggregate is not quite one-half of one per cent of our assets. In the sales made during the year, some losses were sustained, all which were deducted from the gross profits, while further considerable sums were written off the book values of unsold properties. Of course, no interest was charged against any of the accounts representing these properties, nor was credit taken for any revenue derived therefrom.

BORROWERS MEET OBLIGATIONS

You would not expect me to tell you that our collections were all that we could desire. Under the conditions which prevailed, particularly in the West, this was impossible. However, we have not been so much surprised at the reduction in our receipts of interest and principal as with the large numbers of our borrowers who have been able to meet their obligations and at the aggregate amount so received. While a considerable number have been unable to make more than a partial payment, and some of our mortgagors of farm lands were in the position of having no net returns from their crops, such customers constitute but a small proportion of the whole. In all but a very limited number of cases we need have little concern as to their deferred obligations being overtaken in the future. Our policy for many years has been to make provision in our mortgages for a small annual or more frequent reduction of principal in addition to the interest. The payment by our mortgagors of these installments in the years in which their circumstances permit places us in the fortunate position of being able to carry them over a period in which their usual sources of income have failed. All but a very small proportion of our mortgage loans have been reduced and now stand in our books at less than the sums originally advanced.

It may interest you to know that payments on our mortgage loans in 1930 were in excess of nine million dollars, of which a sum exceeding five million dollars was on account of principal. Of the latter sum, more than $1,500,000 were paid in reduction of the principal of our mortgages in the three Prairie Provinces.

FARM MORTGAGES LESS

I may also mention the fact that for some years both the aggregate and proportionate amount of our farm mortgages has been steadily declining. With very little activity in the expansion of farming operations since 1920, and with our loans being rapidly reduced and ultimately paid off by payment of annual instalments, as I have explained, this was only to have been expected. Our loans on the security of urban properties, in the West as well as in the East, are in a most satisfactory condition.

CONSERVATIVE METHODS

The Net Profits for the year were entirely satisfactory. Taking into consideration the difficult situation with which we had to contend throughout the year, the result was surprisingly good. I have referred to some deductions that were made. In addition, we met the expenses connected with removal to our new offices, including the cost of all our new and valuable office furniture. This is a real asset, but it is nearly thirty years since any such item as "Office Furniture" has appeared in our Balance Sheet, and we could not think of reinserting it. All these expenditures were, therefore, entirely written off out of the gross profits of the year.

The usual provision for accrued taxes was also made, which I may say is no insignificant sum. The considerable increase in our debenture funds took place principally in the latter part of the year, and did not add to our earnings. All the expenses incurred in connection with obtaining this money were charged against the year's profits, as were also the commissions and other expenses associated with the loaning of such portions thereof as were invested in mortgages before the end of the year.

A STRONG POSITION

You will see, I think, that not only have we a large reserve and surplus, amounting to $8,466,707, but also that this strong position is rendered impregnable by the conservative basis upon which our assets are valued. In this we merely evince the prudence and caution of the thrifty housewife who has been known to do a little extra saving on her own account, of which the good man was not aware, but the contents of the old stocking have sometimes proved to be a convenient umbrella when the "rainy day" arrived.

TRIBUTE TO OFFICIALS AND STAFF

Not for several years have Executives found it necessary to lean so heavily upon all their assistants as in 1930. It is in the years of stress and strain that the extent to which a General Manager can rely upon the loyalty and the resourcefulness, energy and ability of those who are associated with him is brought to the test. That they have stood this test, heroically and successfully, the Statement submitted today amply demonstrates. Most of our chief officials at our various branches, as well as at Head Office, have been with us for so many years that they look upon their interests as practically identical with those of the Corporation. They also steadily cultivate in their assistants a similar spirit of pride in being associated with a Company which for more than three-quarters of a century has been one of Canada's most important institutions.

I offer my sincere thanks to all my associates, from Halifax to Vancouver, who have made their contribution to the results of last year's operations, in which are included the members of the staff of our Trust Company.

The First Vice-President, Mr. E. R. C. Clarkson, said:

In seconding the President's motion to adopt the Report, it is not necessary to enlarge upon what has already been said with reference to the Statement which has been placed before you. The Directors received it with the utmost satisfaction and feel assured that it cannot but have increased the pride of the Shareholders in the Corporation with which a very large number of them have for many years been identified. In a year of considerable anxiety, the Net Profits have been surprisingly good. The increases in Deposits and in both British and Canadian funds invested in our Debentures, as a result of which there has been a very satisfactory increase in the total Assets, are extremely gratifying. It is a strong Balance Sheet we present to you, as you will feel doubly assured after having heard the explanatory comments of the General Manager.

DIVERSIFIED FARMING

I wish to associate myself with what has been said, here and elsewhere, in advocacy of some modification of the methods of agriculture to which a large proportion of our Western farmers have limited themselves. For some reason, many of those who undertake to speak for the grain growers voice their opposition to every suggestion of greater diversification. Evidence is increasing, however, not only that some increase of diversified farming is necessary, but also that large numbers of those who have confined their operations to the growing of grain are doing some hard thinking for themselves and are coming to a realization of the importance of adopting other methods.

CANADIAN WHEAT THE BEST

It is true that the hard wheat produced in Canada continues to be the finest in the world, and that the best flour cannot be obtained without at least a percentage of Canadian wheat, but in years of over-production the quantity necessary for this purpose is but a small proportion of our exportable surplus, and the remainder has to compete in the world's markets with the cheaper wheat of poorer quality grown in South America, the United States and other countries, including for the present at all events and possibly to a greater extent in the future, the grain grown by the conscripted labor of Russia and now being dumped at slaughter prices upon the British market.

AN OPPORTUNITY

There could not be a better opportunity than exists at this moment to take as long a step as is practicable away from the practice of merely growing grain. At a time when grain prices have suffered a severe decline, prices of live stock have exhibited remarkable strength. In the latter part of 1930 there were shipments of cattle from Canada to Great Britain which may offer some promise of a revival of what was at one time an important and profitable industry.

BACON FOR THE BRITISH MARKET

At present, however, the greatest opportunity presents itself in the market for pork and bacon. Some years ago Canadian bacon obtained a high place in the British market, and there was a rapidly increasing demand for it by consumers. In 1924 Canada exported 120,000,000 pounds. The failure on the part of exporters, probably owing to increased requirements at home, to keep the dealers sufficiently supplied with Canadian bacon to meet the requirements of their customers who were asking for it, led to the substitution of supplies from Denmark. While British imports of bacon increased from 636,000,000 pounds in 1921 to more than 900,000,000 pounds in recent years, Canadian exports have fallen to about 20,000,000 pounds.

EXPORTS DAIRY PRODUCTS DECLINE

Our exports of dairy products to Great Britain have also greatly declined. We are exporting practically no butter, while importing large quantities. Canadian cheese held first place in the British market for many years, but our shipments of cheese are one-third less than they were five years ago.

THE FARMER SELF-SUSTAINING

I am aware that our farmers cannot become producers of live stock, or of dairy products, overnight. But the opportunity exists for making a modest beginning, by which the farmer will at least be self-sustaining, raising sufficient cattle and hogs to provide the required meat for his family, supplying his own milk and butter, as well as eggs, poultry and honey, and, which is of at least equal importance, throwing off his dependence upon the canning factory by raising his own vegetables. A trim, well-kept garden is a much more pleasing prospect than a litter of empty cans.

Once our farmers experience the financial independence which they would in this way secure, can anyone doubt that the experiment would lead to further expansion of mixed farming, as it did in Ontario thirty to forty years ago?

I have very much pleasure, Mr. President, in seconding your motion for the adoption of the Directors' Report.

The motion was then put to the meeting and unanimously carried.

CANADA PERMANENT Mortgage Corporation

Head Office - Toronto

ANNUAL STATEMENT

Year Ending December 31st, 1930

Profit and Loss Account

The balance at the credit of Profit and Loss at the beginning of the year was		$ 317,191.48
The net profits for the year, after deducting interest on borrowed capital, expenses of management and all charges and losses, after paying all Taxes due and providing for all accrued Taxes and after making provision for possible losses and contingencies, were		989,516.21
Making available for distribution		$1,306,707.69
This sum has been appropriated as follows:—		
Four quarterly dividends of Three per cent. each on the paid-up Capital Stock		$ 840,000.00
Balance carried forward at credit of Profit and Loss		466,707.69
		$1,306,707.69

BALANCE SHEET

ASSETS

Office Premises:—Toronto, Winnipeg, Vancouver, Saint John, Edmonton, Regina, Halifax, Woodstock (Ontario), and Brantford (Ontario)		$4,492,246.69
Real Estate held for sale		339,096.53
Mortgages on Real Estate:—Principal	$55,205,720.12	
Interest	1,079,971.61	
		56,285,691.73
Loans on Bonds, Stocks, etc		217,694.59
Bonds of Dominion of Canada and Provinces of Canada		1,716,251.17
Bonds guaranteed by Dominion of Canada and Provinces of Canada		632,496.22
Bonds of Canadian Municipalities		694,511.56
Bonds guaranteed by City of Toronto		24,748.06
Other Bonds and Debentures		1,000,131.31
Stocks—including $980,000 of The Canada Permanent Trust Company at par		1,641,436.80
Cash in Chartered Banks and on Hand		2,276,983.37
		$69,321,288.03

LIABILITIES

To the Public		
Debenture Stock and Accrued Interest (£163,136 16s. 5d.)	$ 793,932.52	
Debentures—Sterling—and Accrued Interest (£2,429,550 11s. 8d.)	11,823,812.82	
Debentures—Currency—and Accrued Interest	26,263,911.03	
Deposits and Accrued Interest	14,750,284.97	
Sundry Accounts	12,639.00	
		$53,644,580.34
To the Shareholders		
Capital Stock subscribed and fully paid	$ 7,000,000.00	
Reserve Fund	8,000,000.00	
Dividend payable 2nd January, 1931	210,000.00	
Balance carried forward at Credit of Profit and Loss	466,707.69	
		15,676,707.69
		$69,321,288.03

We hereby certify that the foregoing statement is correct, to the best of our knowledge and belief, and shows truly and clearly the financial condition of the Corporation's affairs.

W. G. GOODERHAM, *President*
E. R. C. CLARKSON, *Vice-President*
} *Directors*

GEORGE H. SMITH, *Vice-President and General Manager*

To the Shareholders:—

We have audited the books and accounts of the Canada Permanent Mortgage Corporation at Toronto for the year ending 31st December, 1930, and have been furnished with Branch balance sheets certified by your auditors for the Branches, and report that the above statement of Assets and Liabilities is in accordance therewith. The cash, bank balances and securities called for by the books in Toronto have been verified by us and at the Branches by your auditors for the Branches.

After due consideration, we have formed an independent opinion as to the position of the Corporation, and, on the basis of the opinion so formed and according to the best of our information and the explanations given us, we certify that the foregoing statement sets forth fairly and truly the state of the affairs of the Corporation. All transactions of the Corporation which have come within our notice have been within the powers of the Corporation.

HENRY BARBER, F.C.A., of the firm of Henry Barber, Mapp & Mapp
D. McK. McCLELLAND, F.C.A., of the firm of Price, Waterhouse & Company
} *Auditors*

Toronto, January 9th, 1931

DIRECTORS AND OFFICERS

The following Directors were unanimously re-elected: W. G. Gooderham, E. R. C. Clarkson, Col. A. E. Gooderham, F. Gordon Osler, George W. Allan, K.C., of Winnipeg; Archibald B. Campbell, W.S., of Edinburgh; William Stone, George H. Smith, Norman Mackenzie, K.C., of Regina, and John A. Rowland, K.C.

At a subsequent meeting of the Board of Directors, Mr. W. G. Gooderham was re-elected President, Mr. E. R. C. Clarkson, First Vice-President, and Mr. George H. Smith, Second Vice-President.

General Manager, George H. Smith; Secretary, Walter F. Watkins; Inspector of Branches, Robert Henderson; Manager, Ontario Branch, Charles S. Robertson.

A Vital Link in Canada's Foreign Trade

This nation cannot build world commerce in security on any limited-service arrangement in regard to trade routes. Security in that respect, must be based on dependable trade routes that are always at the nation's service. Such routes can be maintained only through ports that are

Always Open To All Shipping

as is the port of Halifax.

Canada is now seeking greater trade with South America. The Canadian Trade Mission to Latin America sails from Halifax, Saturday, February 21. Halifax is the logical port through which to develop and maintain Latin American trade. The port is always open to the world's largest ships. It is the nearest North Atlantic port to the eastern seaboard of South America. Canada's most direct route to this territory runs through the port of Halifax.

We have modern facilities for handling South American export and import trade now, and our equipment is being steadily increased. Our port costs are low and our service efficient and economical.

We invite fullest inquiries.

Please address

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Halifax Harbour Commissioners
Halifax, Canada

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Your Investments

Questions and problems on Canadian investments submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram.

Consol. Smelters

Among my holdings is a small block of Consolidated Mining and Smelting common shares. My average price has been about $186 a share. What is your opinion on this security?

Consolidated Mining and Smelting stock is regarded as the leading Canadian mining security. This company has extensive properties in British Columbia and nearly all the other provinces, as well as copper claims in South Africa. The company is the largest producer in Canada of zinc and lead, while, in addition, it has an important output of other precious and semi-precious metals. Earning power of Consolidated Smelters has been affected through the sharp reduction in metal prices, which appear to have reached the bottom.

A factor to consider in relation to this stock is that it is out of the range of the ordinary investor. Consequently its value is liable to wide fluctuations on a small volume of trading. A split in stock would probably improve the trading position of the stock, but this is not likely to happen in view of the fact that control of the company lies in the hands of interests who are not concerned with the market. Market appreciation of the stock depends largely upon higher metal prices.

Dryden Paper

Will you be good enough to let me have current information on Dryden Pulp & Paper Co.

Decline in the value of Dryden Paper stock has been due principally to the unfavorable record of pulp and paper companies. Dryden is not in the newsprint or fine paper business, but its position has been affected by developments in those branches.

Through its contract with the Bates Valve Bag Co., Dryden is assured of a market for the greater part of its output. The balance is distributed throughout Western Canada. Owing to lower prices in the kraft market, earnings of the company were affected in the year ended September 30 last. Share profits dropped from $1.01 in 1929 to approximately three cents in 1930. Its financial position, however, has been well maintained, working capital being in the ratio of 21 to 1.

At the annual meeting in January, the president stated that operations in the past three months resulted in revenue more than sufficient to cover bond interest.

He further stated that the company was developing a new line for bags to form linings for flour and sugar bags, which was expected to develop into a substantial revenue producer for the company.

Shawinigan

I am a holder of 200 shares of Shawinigan Water & Power Company stock, which cost me an average of 6 points above the current market price. It seems to me that the stock has not acted well of late, and I would like to have details of the present position of the company.

Although the stock of Shawinigan Water & Power Co. has not acted well market-wise in recent months, there has been, as far as we know, no adverse development affecting the position of the company. Shawinigan is the largest producer of hydro-power in Quebec, and one of the largest in Canada. Its growth, over the last decade, has been substantial, and while its expansion in the next ten years may not be as large, there are many reasons for expecting an increase in production and consequently earnings. At the present time the company has underway a development at Rapide Blanc on the Upper St. Maurice, which will give the company an additional 167,000 h.p. This will bring the company's total power supply up to roughly 1,000,000 h.p.

A factor which has adversely affected market prices, is the general belief that the company is obligated to carry out a programme of developments involving about $80,000,000 on the upper St. Maurice river. It is feared that the company will not be able to find a ready market for the power made available. Our understanding is that the company is not obliged to carry out this development en bloc. The water power resources of the upper St. Maurice will be developed as a market is found for the power made available from each new unit.

Market value of Shawinigan stock also has been influenced by the establishment of the Beauharnois Power Corp. which has underway a power development on the St. Lawrence river, a short distance from Montreal. In view of the fact that Montreal is the largest market for power within the province and that Montreal Power had contracted for 150,000 h.p. with Beauharnois, it was felt that the position of Shawinigan had been impaired. This is not the case, as Shawinigan and Montreal Power recently entered into a new contract extending until 1967, which provides for increasing delivery of power.

Earnings for the past year were above dividend needs.

Abitibi Power & Paper

Is the power development on the Abitibi river being undertaken by the Abitibi Power & Paper Co.? If so, how will the project be financed and where will the power be sold other than to the Hydro-Electric Power Commission of Ontario? Is the outlook for the sale of paper going to improve sufficiently to warrant this development?

Ontario Power Service Corp. is the Abitibi Power & Paper Co. subsidiary taking care of the Abitibi Canyon power development. This is to cost about $23,000,000. The agreement with Ontario Hydro-Electric Power Commission, dated April 11, 1930, calls for the sale of 100,000 h.p. for a period of 40 years. While the initial development will have a capacity of 275,000 h.p., the maximum capacity is approximately 375,000 h.p. The Hydro-Electric Power Commission will purchase 85,000 h.p. upon completion of the plant not later than October, 1932, this amount increasing annually until a total of 100,000 h.p. is purchased in 1936, and annually thereafter. Abitibi Power & Paper Co. pays for power in excess of the 100,000 h.p. going to Ontario Hydro-Electric Power Commission sufficient to look after the bonds.

Financing of the canyon development has already been accomplished through a syndicate of financial houses buying $20,000,000 5½ per cent first closed mortgage sinking fund gold bonds.

In taking surplus power over 100,000 h.p. going to Ontario Hydro-Electric Power Commission, the company expects to make considerable economies in the cost of steam generation at its Iroquois and other plants. Improvement in the market for paper can be expected when business gets better, but the improved demand will take some time to take care of Canadian capacity.

Starr Manufacturing

Would you consider 6 per cent first mortgage bonds of Starr Manufacturing Co. a safe or a speculative investment?

There is no market at present for the 6 per cent first mortgage bonds of Starr Manufacturing Co., due February 1, 1948. We understand that bonds were offered some months ago at $65. The company has made no statement of earnings for two years but appears to be in a reasonably sound position and the bonds can be considered as fairly safe.

Sales of the company in the fiscal year ended March 31, 1930 totalled $348,650 as compared with $317,525 in the preceding year. Earnings will probably be lower during the current year as it is reported that sales have shown some decline.

2nd Can. General Trust

Some years ago I purchased 100 shares of the Second Canadian General Investment Trust at $100 per share. Present quotations of around $10 are certainly discouraging and I should like your opinion as to the safety of my investment. I would like you to go into some detail in connection with these shares as I have been unable to get any information here in the west.

The Second Canadian General Investment Trust may be considered as reasonably sound with a good possibility of regaining its former position when the general market improves. The present market for the $25 par value shares is between $10.25 and $11 and while sales have taken place as low as $9.25, it is stated that these were in small blocks. The present liquidating value of the shares is around $17 according to an official of the company. The annual report of the Trust is due during the second or third week in February and will undoubtedly show you the exact position of the trust better than we can do so at this time.

Securities held by the company in its investment portfolio declined in value during the market crash in 1929 to a point where the market value of the securities held was below the par value of the shares of the trust outstanding. Dividends could not, therefore, be paid at the former rate without further impairing capital.

A plan of reorganiaztion was approved by shareholders on February 24, 1930, and the old shares of $100 par value were split into four new no par value shares. On these new no par value shares the company has made three quarterly dividend payments of 25 cents each. The last one was made on January 2, 1931.

In case you have not exchanged your $100 par value shares for the new shares, we should advise you to get in touch with Canadian General Securities Co. and arrange to do so.

The low market value of the shares at the present time is due in part to the fact that there is not a wide market for the shares and in part to the general lack of demand for investment trust shares of any sort after the losses that were taken during the past year and a half.

We believe that you would be well advised to hold your second trust shares in view of a probable appreciation in stock prices during the next two or three years.

Atlantic Sugar

I hold 300 shares of British American Oil, 100 shares of International Petroleum and 25 shares of Atlantic Sugar preferred. I should like your advice as to whether I should sell or hold.

For a long hold we would be inclined to retain B. A. Oil and International Petroleum. They are subject to some doubt at present on account of the situation with regard to curtailment of oil. In the case of International Petroleum, a possible increase in the U. S. tariff on crude oil might have some influence, though not permanently. There is considerable objection in the United States among certain oil companies who do a large exporting business to such action in any case.

Atlantic Sugar preferred has regained considerable interest as Canadian refining companies have been doing better this year than for a long time. It is essentially a speculative issue, however, and if earnings get to a point which gives you a satisfactory market outlook for the stock, it would probably be as well to take advantage of the situation to sell.

The company has a strong working capital position, its earnings on the preferred stock have been impressive though no dividends have been paid since 1920. The accumulated arrears of dividends are now about 71¾ per cent. No dividends will be declared or paid on the capital stock until the aggregate amount of funded indebtedness be reduced to an outstanding principal amount of $3,000,000.

Certificate Lost

A friend believes that he has lost or burned a certificate for five shares of Anaconda Copper. It was registered in his name but he does not know the number of the certificate. What can he do about it?

I hold shares of International Nickel Co., Building Products and Service Stations. Would you advise me to hold these or to change to some other stock? I have been considering an exchange from Building Products A shares into Ford Co. of Canada. Would this be wise?

Your friend who believes he has lost or burned a certificate covering five shares of Anaconda Copper stock should write to Albert H. Melin, secretary-treasurer, Anaconda Copper Co., 25 Broadway, New York City, detailing the situation and giving all particulars as best he can.

It is a slow and difficult matter to get a lost or burned certificate replaced as the company has to take every precaution to see that two certificates representing the same shares of stock are not out at the same time. As a rule, a bond is required from the person so losing stock indemnifying the company against any loss through the issue of another certificate. Rules vary, however, in different countries and with different companies according to their by-laws.

All of the companies' stocks that you are holding are worth holding until business once more improves in a notable manner.

Current operations of all, except International Nickel, have been quite satisfactory in view of the business depression. All of them should do much better in a time of business improvement.

We would not advise the exchange of Building Products for Ford of Canada as Building Products' prospects over a term of years appear good. However, investment of further funds in Ford of Canada would probably over a term be found worth while.

Ontario Silknit

Is there any bid on the preferred stock of Ontario Silknit? I should like any recent information that you may have on the company.

There is no bid price at present available on the preferred stock of Ontario Silknit.

As the stock was originally offered by Harley, Milner & Co., now Milner, Ross & Co., Toronto, we would suggest that you get in touch with them for a bid price. As the common stock is quoted regularly, there should be a market for the preferred stock.

The annual report for 1930 will probably not be available until the latter part of May, therefore, that factor has to be kept in mind when considering the affairs of the company.

Upper Canada Trust

I hold a number of shares of Upper Canada Investment Trust Ltd., Toronto, and would like to know the present market value. Can you tell me why no dividends have been paid on the class B shares?

As Upper Canada Investment Trust of Toronto is not listed anywhere, you would have to seek your market through the people who sold it to you. There is no public demand.

The company had sold 7 per cent cumulative redeemable preferred stock, par value $25, 40,000 no par value class "A" common shares and 40,000 class "B" common stock no par value shares. In November the company paid its eighth dividend on the preferred stock. As the class "B" common stock was reserved for the promoters at $15 a share, it would be to the interest of preferred shareholders and class "A" shareholders to have dividends deferred until the company has established a good reserve.

The company has not yet made available to the public its financial statement, and one should have that along with a list of securities held to know just how well it is getting on.

Western Homes

I should like your opinion on Western Homes Ltd. dealing in mortgages and investments. Is this company a sound one in which to invest or would you advise a contract holder who has already paid in some money to discontinue payments and invest in some other security?

The report of Western Homes Ltd., for 1930 should soon be available to the general public. In 1929 the company earned $83,795 and paid $54,582 in dividends and income tax, allowing $30,000 to go forward to reserves which then stood at $200,682. The company's earlier investments were confined to Winnipeg and the Province of Manitoba, but in recent years agencies have been established in the principal cities of the Prairie Provinces.

The company has been making monthly payment loans as well as semi-annual and annual payment loans. An increasing amount of the loans has been on homes owned in the cities and first mortgages on farms.

The present western situation, with wheat at the lowest level almost in history, will probably make it necessary for every institution holding mortgages on farms to scan carefully each individual mortgage. It is, therefore, important to wait until the report for 1930 is out to see how the company, itself, veiws its present situation. In the past the company has found it necessary to reduce dividends to increase reserves and that might be found necessary again in the future.

Investment Foundation

What is your opinion of the assets behind stock of Investment Foundation which I purchased at $70 per share? What are the probabilities that International Nickel and Page-Hersey may continue their dividends?

There seems no reason to suppose that Page-Hersey will not continue its dividends. It is generally supposed in 1930 to have earned these dividends with a substantial margin, and its earning assets in 1931 will be larger. If there should be a temporary slump in its business its strong financial position and records of the past few years would justify considerable confidence in the future in any case. At the moment, however, there is no uneasiness on the score of the Page-Hersey dividends.

International Nickel is not earning it present dividend and, therefore, there may be a justifiable uneasiness as to what may be done in the course of the present year. The company's output, and, therefore, its earnings on the common stock, are only limited by the size of the world market for its products. These have been depressed to a great degree in the last year. For the long view, despite temporary fluctuations, holds of this stock look good whatever may be the position of the dividends from time to time.

With reference to your holdings of Investment Foundation, we may say that it is the general impression of the street that it is being conservatively managed. H. C. Flood, the president, in May, at the annual meeting referring to the year ending March 31, 1930, stated that with the exception of six items of the investment portfolio acquired at a cost of $93,293, all were yielding interest or paying dividends. In other words, over 96 per cent of the invested funds were providing revenue. At that time interest and dividend receipts were more than sufficient to cover all loss of expenses and dividends on the preferred stock. This preferred stock is 6 per cent cumulative convertible with a par value of $50.

On December 26, 1930, however, the quarterly dividend declared on the preferred stock was 37½ cents a share, payable January 15, 1931, to holders of record December 31, 1930. This rate is equivalent to 3 per cent per annum in comparison to the 6 per cent cumulative feature attached to said issue.

Its portfolio early in 1930 included such companies as Massey-Harris, whose dividend has been abandoned. We would prefer not to pass an opinion about the securities until the new annual report next May, which we hope will again give the list. It is impossible to say at this point what securities might have been disposed of during the year. As things stand, over a term, the company should reinstate the position of the stock and restore the dividends.

Dufferin Paving

Please give me the share capital of Dufferin Paving & Construction Co. and the amount earned by the common shares in the last fiscal year.

Share capital of Dufferin Paving & Crushed Stone consists of $1,934,500 7 per cent first cumulative preferred convertible stock of $100 par value, $1,250,000 6 per cent non-cumulative second preferred convertible of $100 par value and 60,000 no par value shares. After preferred dividends in 1929 the common earned $2.97 though dividends have not been paid.

Service Stations

I have 100 shares of Service Stations common bought at 84. By selling this I can buy 400 shares of Hiram Walker-Gooderham & Worts. What would be your opinion of this change?

Service Stations pays $2.60 a share on its common stock and probably earned nearly $6 a share in 1930.

Hiram Walker-Gooderham & Worts pays $1, but opinions vary as to whether it is earned or not. Both companies are strong financially, both will encounter keen competition in the next few years, both have good prospects for a hold, but Hiram Walker has legislative hazards from which the other is free.

Edmonton City Dairy

I hold some common stock of Edmonton City Dairy Co. and have received an offer from Dairy Corp. of Canada. Would I be well advised to accept this offer or would I do better by holding my present stock?

Edmonton City Dairy has an excellent record, and the prospects for that subsidiary are good. This is only one of many companies of which control has been secured by Dairy Corp. of Canada. The latter has large plans for the future, and if they are eventually realized, your position would be better with Dairy Corp. of Canada which will have subsidiaries both east and west. The chief doubtful factor is the business depression in Western Canada, but this would probably affect the Edmonton City Dairy to the same extent as the other companies taken over by Dairy Corp.

The estimate of earnings, made by J. A. Caulder, president, Dairy Corp. of Canada, of $2 a share on class "A" shares for 1930 and $1 a share on Edmonton City Dairy common for 1930, makes the Dairy Corp. offer look attractive.

Five Good Stocks

I would like your opinion as to the five best Canadian common stocks. A customer has $10,000 to invest in this type of security and desires a yield of 7 to 8 per cent with prospect of appreciation.

Five good common stocks in Canada which have proved themselves over a considerable period are: C. P. R. common, Bell Telephone common, Steel Co. of Canada, preferred or common, Montreal Power common, and International Nickel common.

When Women Invest

A WEEKLY FEATURE

Confederation Investments

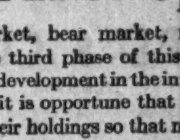
We would be glad to have your opinion as to a widow of moderate means, holding shares of Fourth Canadian General Investment Trust, and exchanging the same for Confederation Investments, Ltd.

If your client, a widow, does not already hold shares of the Fourth Canadian General Investment Trust we should not advise purchase of such shares. We should judge, however, that your client already holds shares of the Fourth Trust and believe that she could exchange these shares for shares of Confederation Investments, Ltd., without any sacrifice of securities.

Canadian General Securities, Ltd., has guaranteed dividends on the shares of Confederation Investments to the extent of $3 per year for the years 1931, 1932 and 1933. The first dividend was paid February 1 to holders of records January 15 and amounted to 75 cents. There would appear to be no immediate prospect of dividends on the shares of the Fourth Canadian General Investment Trust.

Securities in the portfolio of the Fourth Trust were purchased at inflated prices and have shown a very severe depreciation. It will probably take some years before the stocks held will return to the price at which they were purchased. The sponsors of the trust, Canadian General Securities, Ltd., has incorporated Confederation Investments Ltd. and is offering shares of the new company in exchange for a similar number of shares of the Fourth Trust to a number of the smaller shareholders to whom loss of dividends has been a serious matter. Security behind the shares of Confederation Investments, Ltd., will be the shares of the Fourth Trust taken in exchange which in turn are secured by the investment portfolio of the Fourth Trust.

There appears to be no arrangement whereby shares of the Confederation Investments can be exchanged back into shares of the Fourth Trust once the latter is in a position to resume dividend payments. Since this will not be for several years and dividends will be paid on the shares of the new company, it would therefore be advisable for your client to exchange. Once dividends are resumed on the Fourth Trust shares the new company will benefit.



A New Phase is Opening

Bull market, bear market, recovery. With the third phase of this cycle in course of development in the investment markets, it is opportune that investors review their holdings so that maximum advantage may be derived from the new conditions.

We shall be pleased to supply a special form on which your holdings may be entered for analysis.

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119

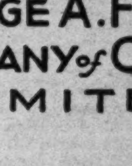
Province of New Brunswick Experienced Deficit in 1930

From Our Own Correspondent

MONTREAL.—A deficit of $635,129 was experienced by New Brunswick on its ordinary revenue account in the fiscal year ended October 31, 1930. In the previous year a surplus of $9,337 was shown, while in the preceding fiscal period the surplus was $198,209.

Revenues for last year were the highest in the history of the province, amounting to $6,576,238. Expenditures, however, were higher than estimated, totalling $7,218,855 as compared with $6,563,121 estimated and $6,566,860 expended in 1929. The net debt of the province stood at $40,240,520, an increase of over $7,000,000, as compared with the previous year.

Profits from the New Brunswick Liquor Control Board were the highest item in receipts. These totalled $1,544,303. Motor vehicle licenses and gasoline tax accounted for $1,525,806 and the annual federal subsidy brought $1,266,765 as in the previous year.



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Canada's Prosperity

What it is and what it isn't

At this time of general depression, the memory lingers of many grandiloquent statements made from time to time about Canada's enviable position and rosy future. Many of these statements are justified by facts. Nevertheless Canada has definite problems to face. Certain great sources of wealth are lagging in their development. The future of others is clouded. Realizing this the editor of The Financial Post has attempted to reckon Canada's economic assets and problems in an unbiased and impartial manner. Canadians should not be lulled into false satisfaction on the one hand, nor cast into doubt as to the ultimate future of the Dominion, on the other. The facts should be squarely met. They affect the prosperity of every Canadian.

SURVEY ONE

AGRICULTURE

The first series of articles last week reprinted in booklet form, deals with the present position and probable future of agriculture in Canada. Further series of articles will deal in turn with other phases of national life.

The viewpoint taken is one that is not based on optimism nor on pessimism. There has been no thought but to analyze the national balance sheet without bunkum and yet without gloom.

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COMPARATIVE REVIEW OF CANADIAN BANK STOCKS

(Prepared by Statistical Department of Bongard & Company)

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WINDSOR GUELPH KITCHENER

SILVERWOOD'S DAIRIES LIMITED AND SUBSIDIARIES

Consolidated Balance Sheet as at 27th September, 1930

ASSETS

Cash on Hand and in Transit	$ 48,078.82		
Cash in Hands of Buyers and Branches	17,352.96		
Cash in Bank	797.54		
		$ 66,229.32	
Notes Receivable	$ 7,732.20		
Accounts Receivable	324,362.28		
	$332,094.48		
Less: Reserve for Bad Debts	54,297.81		
		277,796.67	
Inventories—including Stores and Supplies		618,844.35	
Life Insurance—Cash Surrender Value	$ 59,761.00		
Mortgages Receivable	10,400.00		
Sundry Investments	353.62		
		70,514.62	
			$1,033,384.96
Due from Associated Companies, guaranteed by A. E. Silverwood and Silverwood Securities Limited			65,635.07
Capital Assets—at Replacement Values as appraised by Sterling Appraisal Company, Limited, as at 27th September, 1930:			
Land		$ 280,095.00	
Buildings	$1,653,426.76		
Machinery and Equipment	1,479,089.02		
Containers and Other Floating Equipment	217,957.85		
Bottles in Trade	23,597.51		
Iceless Cabinets	865,727.60		
Trucks and Automobiles	222,697.90		
Horses	40,107.50		
Wagons and Stable Equipment	106,018.37		
Office, Store and Branch Equipment	82,376.24		
	$4,690,998.75		
Less: Reserve for Depreciation as Appraised	1,096,431.65		
		3,594,567.10	
			3,874,662.10
Prepaid Expense			61,380.68
Milk Routes, purchase and expansion of		$ 349,026.59	
Prepaid Organization Expenses, including discount on stock		44,269.62	
Cost of Shares in Certain Subsidiary Companies in excess of Book Values		412,600.00	
			805,896.21
			$5,840,959.02

LIABILITIES

Bank Overdrafts		$ 39,559.70	
Bank Loans (Secured)		295,750.00	
Notes Payable (Secured, $58,165.44)		70,665.44	
Lien Notes Payable		64,401.56	
Accounts Payable (Secured, $47,294.65)		323,589.39	
Accrued Expense		28,767.00	
Dividends Payable		76,657.59	
Bond and Mortgage Interest Accrued		7,669.16	
			$ 907,059.84
Deferred Rentals and Accounts Payable		$ 48,866.73	
Deferred Lien Notes Payable		106,604.89	
Reserve for Dominion Income Tax		45,276.90	
			200,748.52
Mortgages Payable		$ 199,500.00	
Bonds Outstanding		252,000.00	
Amount Owing on Purchase Agreement		251,193.63	
			702,693.63
Minority Shareholders' Interest in Subsidiary Companies			7,680.00
Capital—			
Silverwood's Dairies Limited:			
7% Cumulative Redeemable Convertible Preference Shares of $100 each—			
Authorized	$5,000,000.00		
Issued or to be Issued	33,269 shares	$3,326,900.00	
6% Cumulative Redeemable Convertible Preference Shares of $100 each—			
Authorized			
Issued	$5,000,000.00		
	Nil		
Non-Voting, Fully-Participating Class A Shares of no par value—			
Authorized	975,000 shares		
Issued or to be Issued	139,745 shares	506,835.00	
Common Shares of no par value—			
Authorized and Issued	25,000 shares	1.00	
		$3,833,736.00	
Surplus (including $140,043 excess of net assets of certain Subsidiaries over their purchase price)		189,041.03	
			4,022,777.03
			$5,840,959.02

Subject to release of certain shares of Subsidiaries upon payment of A. E. Silverwood of amounts aggregating $19,711.46.

CONSOLIDATED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE SIX MONTHS ENDING 27th SEPTEMBER, 1930

Sales, including inter-company sales		$4,370,276.76
Less: Cost of Materials	$2,664,868.87	
Productive Wages and Direct Expenses	882,892.20	
		3,547,761.07
Gross Profit on Sales		$ 822,515.69
Iceless Cabinet Rentals and Other Revenue		53,596.88
Gross Trading Profit		$ 876,112.57
Less: Administrative and Indirect Expenses		360,311.72
		$ 515,800.85
Amounts received under dividend guarantee		60,000.00
Net Profit (before Depreciation and Income Tax)		$ 575,800.85
Provision for Depreciation		225,593.30
Net Profit (before Income Tax)		$ 350,207.55
Provision for Dominion Income Tax		21,332.38
Net Profit		$ 328,875.17

Note: This half-year period includes about 80% of the ice cream business for a complete year and has been charged with twelve months' depreciation on iceless cabinets at 10% per annum.

AUDITORS' CERTIFICATE

We certify that the above Consolidated Balance Sheet of Silverwood's Dairies Limited and its twenty-two Subsidiaries correctly sets forth their position as at 27th September, 1930, subject to certification by the Company's solicitors that all real estate shown is legally vested in the Company or in its Subsidiaries.

CLARKSON, GORDON, DILWORTH, GUILFOYLE & NASH,
Chartered Accountants.

Toronto, 28th January, 1931.

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Stocks

WEEK ENDING FEBRUARY 2

Range 1931 High	Low	Div. Rate in %	Yield $ Jan. 31		Close Jan. 26 (or last)	Week Ending Feb. 2 High	Low	Close
[illegible]								

x Quotations for 1930. None recorded in 1931 to date.
b. New York quotations.
‡ Stock dividend.
‡ Quarterly div. payable March 2 in stock in lieu of cash.
z Quotations for 1929.

Active Current Bond Prices

February 2

	Bid	Asked	Yield
Dominion of Canada 5½/33	103.25	103.75	4.10
Dominion of Canada 5½/34	103.25	103.75	4.40
Dominion of Canada 5/43	103.50	104.25	4.55
Dominion of Canada 4½/46	99.50	100.25	4.45
C. N. R. 4½/54	98	100	4.50
C. N. R. 5/54	103.50	105	4.65
C. N. R. 5/69	104	105.75	4.65
C. N. R. 4½/56	97.50	99	4.55
Prov. of Ontario 4½/44	98	100	4.50
Prov. of Ontario 5/48	103.25	104.75	4.60
Prov. of Ontario (Hydro) 4¾/70	101	102.25	4.65
Prov. of Quebec 4½/50	99	100.75	4.40
Prov. of Quebec 4½/56	99	100.75	4.40
Abitibi Power & Paper 5/53	75	78	6.95
Algoma Steel Corp. 5/62	59	63	6.30
Argentine Govt. 6/58 Series "B"	90	92	6.70
Bell Tel. of Canada 1st 5/57	103.50	105	4.65
Brazil U. S. Ext. S. F. 6½/57	63	67	9.50
British American Oil 5/45	98.25	100	5.00
Brit. Col. Power 5½/60	101.25	102	5.35
Brit. Col. Telephone 5/60	95	97	5.20
Calgary Power 5/60	94.25	97	5.20
Canada Cement Co. 1st mtge. S.F. 6½/47	99	101	5.40
Canada Northern Power 5/53	89	90.50	5.75
Canada Power & Paper 5½/58	14	18	...
Can. Light & Power 1st S. F. 5/49	92	95	5.50
Canada S. S. Lines 1st and Gen. 6/41	55	60	...
C. N. R. Dom. Can. 4¾/55	102	103.50	4.40
C. P. R. Coll. Trust 5/54	103	105	4.45
C. P. R. Secured 4½/44 Notes	97	99	4.60
Chile Republic Ext. S. F. 6/60	80	83	7.50
Colombia Repub. Ext. S. F. 6/61	67	70	...
Davies Wm. 6/42	90	93	6.90
Dominion Steel Corp. 6/39	80	85	8.63
Dominion Square Corp. 5/48	78	82	6.80
Dominion Tar & Chemical Debs. 6/49	99	101	5.90
Dominion Textile 6/49	105	106	5.45
Duke Price Power 1st 6/44	103.25	104.50	5.70
Eastern Dairies Conv. 6/49	96.50	100	6.00
Eaton T. Realty 5/49	92	95	5.85
Foreign Power Secs. 6/49	96	100	6.00
French Nat. Mail Ext. S. F. 6/52	102	104	5.65
Gatineau Power 1st Mtge. 5/56	93	96	5.40
Gatineau Power S. F. Debs. 6/41	91.50	95	6.70
Howard Smith Paper Mills 5½/53	73	78	7.40
Manitoba Power 1st S. F. 5½/51	94	98	5.65
Massey Harris Co. 1st Mtge. 5/47	80	86	6.30
Montreal Coke 1st S. F. 5½/47	101	102.50	5.25
Montreal Island Power 5½/58	98	100	5.59
Montreal Power 5/51	102	104	4.70
Montreal Tram. 1st Coll. Trust 5/41	99.25	101.50	4.80
Montreal Tram. Gen. Ref. 4½/55	84	87	5.45
Montreal Tram. Gen. 5/55	92	94	5.40
Moodie J. R. 6/48	97	100	6.00
Nova Scotia Steel & Coal 1st 5/59	59	63	9.20
Nova Scotia Steel & Coal 6 Deb.	30	40	...
Ogilvie Flour Mills 6/32	100	102	4.60
Ogilvie Realty 6½/52	100	103	6.10
Ontario Power Service 5½/50	92	94	6.05
Power Corp. of Canada 4½/59	84	89	5.45
Price Bros. 1st S. F. Series "A" 6/43	99	101	5.90
Quebec Power 1st Mtge. Coll. S. F. 5/68	100.50	102	4.85
Rio de Janeiro Trams 5/35	97	100	5.00
Shawinigan Water & Power 4½/70	95	97	4.70
Shawinigan Water & Power 5/70	102	104	4.75
Simpsons 6/49	98	101	5.90
Southern Canada Power 1st 5/55	100.75	102.50	4.80
United Securities Coll. Trust 5½/52	98	100	5.50
Windsor Hotel 6½/43	101	103.50	6.10
Windsor Hotel 6/47	95	98	6.20
Winnipeg Electric 5/35	98	101	4.75
Winnipeg Electric 6/54	93	98	6.15

Active Provincial and Municipal Bonds

(Furnished by H. R. Bain & Co., Ltd.)
350 Bay Street, Toronto, Ont.

Provinces	Rate	Actual Mat.	Next Int. Date	Ask	Yield
Alberta	4½	1 Oct. 1958	1 Apr.	97.66	4.65
Alberta	5	1 Jul. 1943	1 July	102.81	4.70
Alberta	6	1 Apr. 1936	1 Apr.	105.50	4.85
British Col.	4½	1 Oct. 1953	1 Apr.	97.92	4.65
British Col.	5	15 Jan. 1948	15 July	102.89	4.75
British Col.	6	15 Aug. 1941	15 Feb.	110.16	4.80
Manitoba	4	1 Jul. 1947	1 July	92.57	4.65
Manitoba	5	2 Jun. 1959	2 June	103.88	4.75
Manitoba	5	15 Jun. 1943	15 June	102.34	4.75
N. B.	4½	1 Jun. 1948	1 June	98.81	4.60
N. B.	4¾	15 Jun. 1936	15 June	100.48	4.65
N. B.	6	1 Jan. 1936	1 June	105.73	4.70
Nova Scotia	4½	15 Nov. 1948	15 May	98.78	4.60
Nova Scotia	5	1 May 1943	1 May	103.29	4.65
Nova Scotia	6	1 Nov. 1936	1 May	106.73	4.70
Ontario	4½	1 Sep. 1944	1 March	100.00	4.50
Ontario	5	15 Oct. 1948	15 Apr.	104.75	4.60
Ontario	6	2 May 1936	2 May	106.49	4.65
P. E. I.	4	1 Apr. 1939	1 Apr.	95.82	4.60
P. E. I.	4½	1 Oct. 1944	1 Apr.	98.47	4.65
Quebec	4½	1 Jun. 1946	1 June	100.00	4.50
Quebec	5	1 Mar. 1964	1 Mar.	107.70	4.57
Saskatchewan	4½	1 Oct. 1944	1 Apr.	97.97	4.70
Saskatchewan	5	1 Oct. 1950	1 Apr.	102.55	4.80
Saskatchewan	6	1 Feb. 1936	1 Feb.	105.93	4.85
Cities					
Montreal	5	1 Sep. 1963	1 Mar.	105.88	4.65
Toronto	4½	1 Sep. 1954	1 Mar.	98.56	4.69
Vancouver	4	1 Aug. 1946	1 Feb.	92.88	4.65
Winnipeg	5	1 Mar. 1944	1 Mar.	101.47	4.85
Windsor	5	1 Dec. 1937	1 June	100.29	4.95
Edmonton	5½	1 May 1945	1 May	105.11	5.00
Calgary	5	1 Jan. 1943	1 July	100.00	5.00
Halifax	5	1 Jul. 1951	1 July	102.59	4.80
St. John	5	15 Dec. 1950	15 June	102.55	4.80
Regina	4½	1 Jul. 1950	1 July	94.41	4.95
Victoria	5	21 Jul. 1945	21 July	102.07	4.80

Dividends Declared

	Annual Rate	Div. Declared	Date	Record
Agnew Surpass, pref.	7%	1¾%	Apr. 1	Mar. 16
Bank of Montreal	12+2%	3%	Mar. 2	Jan. 31
Bank of Toronto	12+1%	3%	Mar. 2	Feb. 14
Brazilian Tr.	...	...	‡Mar. 2	Jan. 31
Bk. Canadienne Nationale	10%	2½%	Mar. 1	Feb. 14
Can. Hydro Electric	6%	1½%	Mar. 1	Feb. 2
Can. Pr. & Pap. Invest. pfd.	5%	1¼%	Feb. 16	Jan. 20
Can. Converters	5%	1¼%	Feb. 16	Jan. 31
Can. Bank of Commerce	12+1%	3%	Mar. 2	Jan. 31
Canadian Oil, com.	$1	25c	Feb. 14	Jan. 31
Do., pref.	8%	2%	Apr. 1	Mar. 20
Consolidated Sand. pfd.	$7	$1.75	Feb. 16	Jan. 31
Canadian Car, com.	$1.75	44c	Feb. 28	Feb. 14
Can. Northern Power, com.	80c	20c	Apr. 25	Mar. 31
Cosmos Imp., pref.	7%	1¾%	Mar. 15	Jan. 31
Can. Wire & Cable "A"	$4	$1	Mar. 15	Feb. 28
Do.	...	$1	June 15	May 31
Do.	...	$1	Sept. 15	Aug. 31
Do.	...	$1	Dec. 15	Nov. 30
Do., "B"	...	43¾c	Mar. 15	Feb. 28
Dominion Bridge	$3.60	90c	Feb. 14	Jan. 31
Distillers-Seagrams	$1	25c	Feb. 15	Jan. 21
East Kootenay Power, pfd.	7%	1¾%	Mar. 16	Feb. 28
Eastern Theatres, com.	$2	50c	Mar. 2	Jan. 31
Foreign Pr. Secs., pfd.	6%	1½%	Feb. 16	Jan. 31
Foundation Co.	$1	25c.	Feb. 14	Jan. 31
Inter. Milling, pref.	7%	1¾%	Mar. 2	Feb. 18
Do., Series "A"	6%	1½%	Mar. 2	Feb. 18
Inter. Nickel, c.	60c	15c	Mar. 31	Mar. 2
Kelvinator, pref	7%	1¾%	Feb. 15	Feb. 5
Lake of Woods Mill. pfd.	7%	1¾%	Mar. 2	Feb. 14
Langley's, pref.	7%	1¾%	Feb. 15	Feb. 1
Loblaw Grocet. "A" & "B"	80c	20c	Mar. 2	Feb. 12
Laura Secord, com.	$3	75c	Mar. 2	Feb. 16
McIntyre Mines	20%	5%	Mar. 2	Feb. 2
McColl Frontenac	60c	15c	Mar. 14	Feb. 14
Med. Hat Greenhouses pfd.	7%	1¾%	Feb. 15	......
Ontario Steel Products	$1.60	40c	Feb. 16	Jan. 31
Do., pref.	7%	1¾%	Feb. 16	Jan. 31
Power Corp. com.	$2	50c	Feb. 20	Jan. 31
Penmans	$4	$1	Feb. 16	Feb. 5
Reliance Grain, pref.	6½%	1⅝%	Mar. 14	Feb. 28
Royal Bank	12+2%	3%	Mar. 2	Jan. 31
Southern Can. Pr. com.	$1	25c	Feb. 16	Jan. 31
Spooner Oils	...	6c	Mar. 10	Mar. 1
Standard Paving & Mat.	$2	50c	Feb. 16	Jan. 31
Do., pref.	$7	$1.75	Feb. 16	Jan. 31
Simon & Sons	$2.50	62½c	Mar. 1	Feb. 20
Do., pref.	7%	1¾%	Mar. 1	Feb. 20

‡Stock dividend.

Winnipeg Stock Exchange

January 26

	Bid	Ask		Bid	Ask
Beaver Fire	..	120	Home Investment	..	65
Beaver Lumber c.	..	19	Monarch Life	25	..
Do., pref.	90	..	North. Can. Mtg.	..	28
Can. Amer. Trust shs.	..	654	Northern Trust	..	48
Can. Fire Ins.	80	..	Traders Bldg.	..	93
Can. Indemnity	125	..	Un. Gr. Growers	14	..
Crescent Creamery	91	93	West. Breweries	2½	3
Gt. West Life	460	..			

Unlisted Canadian Securities

(Furnished by A. J. Pattison Jr. & Co. Limited)
February 3, 1931

Industrial Stocks	Bid	Asked
Andian Nat. Corp.	24.75	28.25
Border Cit. Htl. pf.	....	20.00
Brand.-Henderson 7% pfd.	87.00	96.00
Brewing Corp. of Can. com.	....	2.75
Brewing Corp. of Can. pfd.	8.00	12.00
B.C. Pulp & Paper com.	2.00	3.75
B.C. Pulp & Paper 7% pfd.	....	65.00
Canada Biscuit pfd.	....	12.50
Can. Crush. Stone pfd.	60.00	75.00
Can. Dom. Sugar c.	16.00	21.00
Can. Machinery c.	7.00	10.00
Can. Mach. 7% pf.	23.00	33.00
Can. Packers c.	19.00	24.00
Can. Pack. 7% pf.	93.00	97.50
Can. Wire & Cable 6½% pfd. w.w.	101.00	....
Can. Indust. c. 'A'	132.00	168.00
Can. Indust. c. 'B'	132.00	168.00
Can. Indust. 7% pf.	117.50	123.00
Can. Westinghouse	72.00	80.00
Chase, A. W., 8% pfd.	44.00	50.00
Clifton Co. Ltd.	....	125.00
Copeland Flour 6% pfd.	....	17.50
Dom. Alloy 8% pfd.	1.00	2.00
Dom. Alloy c.	....	.25
Dom. Foundries & Steel 8% pfd.	66.00	70.00
Dom. Foundries & Steel com.	8.50	12.00
Dom. Mfrs. com.	7.00	....
Dom. Mfrs. pfd.	76.25	....
Dunlop Tire 7% pf.	100.50	104.50
Eastern Car 6% pf.	60.00	74.00
Eastern Dairies 7% pfd.	95.00	100.00
Edmonton Stock Yds pfd. bonus	....	75.00
Frost & Wood c.	5.00	11.00
Goderich Elevator.	15.00	18.00
Greening Wire 7% pfd.	95.00	101.00
Guardian Realty pf.	54.00	....
Inter-City Bak. c.	46.00	65.00
Inter-Proprie. "A"	30.00	34.00
Loew's London c.	.80	2.00
Loew's London 7% pfd.	2.00	4.00
Milton Brick pfd.	....	22.00
Nat. Grocers c.	1.00	1.75
Nat. Grocers 2nd 7% pfd.	47.50	....
Para. Kitchener pf.	25.50	....
Para. Oshawa c.	11.00	....
Provincial Paper 7% pfd.	80.00	90.00
Rogers Maj. Corp. "A"	10.00	13.00
Service Stations "A" pfd.	78.00	83.50
Stand. Clay Prod. c.	26.00	34.00
Stand. Fuel Pfd. Bonus	74.00	....
Supertest Petroleum "B" pfd.	19.00	25.00
Rolland Paper pfd. Bonus	....	75.00
Toronto Ball Club	....	60.00
Toronto Brick pfd.	67.50	....
Toronto Carpet c.	110.00	....
Toronto Carpet 8% pfd.	100.00	112.00
Toronto Elevator 7% pfd.	....	90.00
Toronto Housing c.	31.00	39.00
United Amuse. "A"	24.00	33.00
Western Grain pfd. Bonus	....	85.00
Willards Choc. 8% pfd.	57.50	65.00
Willards Choc. c.	2.00	4.00
Insurance Stocks:		
Br. Amer. Assce.	50.00	....
Canada Life	680.00	740.00
Canada Nat. Fire.	....	28.00
Can. Fire Insur.	78.00	90.00
Capital Life 20% pd.	....	26.00
Commercial Life 10% pd.	....	28.50
Confed. Life 20% pd.	240.00	300.00
Continental Life 20% pd.	70.00	79.00
Crown Life	275.00	380.00
Dominion Fire	105.00	128.00
Dom. of Can. Gen.	235.00	295.00
Dom. Life 50 pd.	325.00	420.00
Excelsior Life 30% pd.	105.00	129.00
Fed. Fire 25% pd.	31.75	....
Fidelity Ins. of Can.	90.00	130.00
Great West Life	460.00	550.00
Guar. Co. of N.A.	240.00	....
Imperial Life	405.00	455.00
Manufacturers Life	335.00	375.00
Monarch Life 10% pd.	30.00	40.00
Nat. Life 25% pd.	106.00	124.00
Sask. Life 10% pd.	13.00	22.50
Sovereign Life 25% pd.	32.00	40.00
Sun Life	1450.00	1550.00
Western Assurance.	44.00	51.00
Western Life 20% pd.	12.00	18.50
Trust & Loan Stocks:		
Br. Mtge. & Trust	208.00	240.00
Can. Gen. Invest. Tr. 1st	....	60.00
2nd Can. Gen. Inv.	10.00	14.00
Capital Trust	70.00	79.00
Chartered Trust	103.00	116.00
Commercial Fin. pf.	47.00	....
Commercial Fin. c.	5.00	....
Deb. & Sec. com.	71.00	90.00
Deb. & Sec. pfd.	63.50	72.00
Guelph & Ont. Inv. Par $50	62.00	68.00
Lambton Loan & Sav.	80.00	....
London & Western Trust	....	180.00
Midland Loan & Sav.	19.00	26.00
Mtge. Disc. 6% pf.	3.75	5.00
Mtge. Discount c.	.40	....
Mutual Finance c.	5.00	8.00
Mutual Finance pfd.	5.00	8.00
Sec. Loan & Sav.	110.00	130.00
Sherbrooke Trust	114.00	....
Sterling Trust	87.00	....
Traders Finance "A" pfd.	....	83.00
Traders Finance "B" pfd.	....	83.00
Traders Finance c.	....	17.00
Trusts & Guarantee	87.00	93.00
Waterloo Trust & Sav.	125.00	150.00
Power Issues:		
B.C. Elec. Pwr. & Gas pfd.	101.75	104.50
Calgary Power pfd.	90.00	95.00
Can. Northern Pwr. pfd.	105.00	107.00
Can. West. Nat. Gas LH & P pfd.	88.00	94.00
East Kootenay Pwr. pfd.	95.00	100.00
Great Lakes Pwr. pfd.	95.00	99.00
New Brunswick Pwr. 1st pfd.	58.00	....
Nova Scotia L&P pfd.	93.00	97.00
Ottawa LH&P 6½% pfd.	102.50	....
Power Corp. 6% pf.	99.00	102.50
Recent London Quotations:		
Brewer Distillers		4s. 9d.
Can. & For. Sec.		7s. 9d.
Can. West. Lumber		2s. 1½d.
Hudson's Bay		29s. 9d.
Do., 5% pfd.		71s. 3d.
Internat. Holding		2 7/16
Wall Paper Mfg.		29s. 3d.
Pref. 5%		18s. 6d.

Listed Bond Quotations

Week Ending February 2

Montreal	Int. Rate	Due	Yield	Latest Ask	High	Low	Range, 1931 High	Low
Abitibi, 1st Mtge.	6	1953	7.03	†70	...	...	78	77
Asbestos	5	1942	5.00	105	...	...	x105	99½
Asbestos, 1st Mtge.	6	1941	...	...	...	...	x81	46
Do., gen. mtge.	6	1956	...	14	...	...	x41	25
Can. Cons. Rub.	6	1946	5.74	...	...	...	x103¾	102½
Can. Cottons	5	1940	7.12	...	...	...	x85	...
Can. Forgings	6	1942	...	†99	...	...	...	...
Can. Locomotive	6	1951	6.34	94	...	...	x96	...
Can. Pr. (Laur. ser.)	5½	1958	...	16½	18	16	28¼	16
Do., (Way. ser.)	5½	1958	...	†16	16	...	28½	15
Can. S.S. deb.	5	1943	5.20	...	...	...	x98¼	94
Cedar Rapids	5	1953	4.79	105	...	...	x102⅞	99¾
Dom. Canners	6	1940	5.60	†103	...	...	x103	...
Dom. Coal	5	1940	5.30	†98	...	...	x97¾	95¼
McNish	6	1948	...	3.00	...	...	2.50	2.30
Mont. L. H. & Pr.	4½	1932	...	†99½	...	...	98⅞	98⅝
Mont. Tr. 1st mtge.	5	1941	5.00	100	100	...	100	...
Mont. Tr. "A"	5	1953	5.52	93	93	...	93	91
Mont. Tr. G.&R. 'B'	5	1955	5.55	93	92⅞	...	92½	92⅞
Do., "C"	4½	1955	5.73	85½	...	...	85	84
Do., "D"	5	1955	5.57	93	...	...	92½	...
N. S. Steel	5	1959	...	...	...	...	x71	63¼
Ogilvie Flour "A"	6	1932	6.00	†100	...	...	x100	...
Do., "B"	6	1932	5.80	†100	...	...	x101	100
Do., "C"	6	1932	...	†100	...	...	x103	100
Ont. Steel	6	1943	...	106¾	...	...	...	...
Porto R. Pr.	5	1936	6.53	...	93	...	93	...
Steel of Can.	6	1940	4.95	†105¾	...	...	107½	...
Wabasso	6	1947	...	101	...	...	...	...
Wayagamack	6	1951	...	85	...	...	x98	86
West. K. Pr.	6	1940	5.19	†105	106	...	106	106
Winn. Elec.	5	1935	...	...	...	...	x98¼	...
Toronto								
Canada Bread	6	1941	5.78	†102	...	...	x104	101
Postal Tel.	5	1953	...	...	...	...	x95	88¾

† Latest bid.
x Quotations for 1930. None recorded in 1931 to date.

Dominion Govt. Bonds (Montreal)

	Int. Rate	Due	Yield	Latest Ask	High	Low	Range, 1931 High	Low
War Loan	5	1931	3.29	†100.90	100.70	100.60	100.80	100.65
Do.	5	1937	4.15	105.30	104.90	104.65	104.90	104.00
Victory Loan	5½	1933	4.25	103.55	103.35	103.15	103.50	103.00
Do.	5½	1934	4.48	103.55	103.45	103.10	103.45	102.95
Do.	5½	1937	4.08	108.35	108.25	107.75	108.25	107.05
Do., refund	4½	1940	4.50	100.00	100.25	99.75	100.25	99.40
Do., refund	5	1943	4.58	104.10	104.10	103.70	104.10	103.50
Do., refund	4½	1944	4.50	100.20	.....	.....	100.55	100.00
Do., refund	4½	1946	4.50	100.25	.....	.....	100.45	100.40
Do., renewal	5½	1932	4.40	102.10	101.95	101.70	101.95	101.55

Foreign Exchange

New York Funds

	High (Premium)	Low	High (Premium)	Low
January 28	13-128	3-32	7-64	5-64
January 29	7-64	3-32	1 3-32	1 1-16
January 30	7-64	3-32	1 1-16	1 1-32
January 31	7-64	3-32	1 5-64	1 1-64
February 2	7-64	7-64	1 5-64	1 3-64
February 3	7-64	1-16	1 1-16	1 1-32

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
January 28	4.85 1-2	3.91 15-16	5.23 9-16
January 29	4.85 1-2	3.91 3-4	5.23 7-16
January 30	4.85 1-2	3.91 13-16	5.23 3-8
January 31	4.85 1-2	3.91 13-16	5.23 3-8
February 2	4.85 7-16	3.91 15-16	5.23 1-2
February 3	4.85 11-16	3.91 15-16	5.23 3-8

FOREIGN EXCHANGE

Par		Jan. 20	Jan. 27	Feb. 3
5.26	Italian	5.24¼	5.23¾	5.23¾
23.80	German	23.78½	23.78½	23.78
13.90	Belgian	13.95½	13.95½	13.94½
49.80	Japanese	49.50	49.50	49.45

Winnipeg Grain Prices

Week to February 3

High Crop Year	Low		Open Jan. 28	High for week	Low for week	Close Feb. 3
		Wheat				
1.13¾	.52½	May	.57¼	.60⅝	.56⅞	.60½
.77¼	.54	July	.58⅜	.61⅞	.58	.61¾
.61	.57⅞	October	.59⅝	.63⅞	.59¼	.63¾
		Oats				
.52	.26⅝	May	.27½	.28⅛	.27	.28⅛
.33½	.26⅜	July	.27⅝	.28⅛	.27	.28
.28¼	.27¾	October	.27¾	.28½	.27¾	.28⅝
		Barley				
.49	.21⅞	May	.23⅜	.24¼	.23	.24⅛
.32½	.23¼	July	.24⅞	.25⅝	.24⅜	.25⅝
.31	.25½	October	.27½	.28⅛	.26⅞	.28⅛
		Flax				
1.32½	.94¼	May	.96	.96	.94¼	.96⅞
1.11	.95½	July	...	.98¾	.95¾	.98½
		Rye				
.71	.25½	May	.28½	.29¼	.27	.29
.75	.28⅜	July	.30	.30¾	.28⅝	.30⅝
.34¾	.31⅞	October	.32	.33⅞	.31⅞	.33⅜

A.J.Pattison, Jr. & Co. LIMITED

INVESTMENT BANKERS

Dealers in Unlisted Bonds and Shares

159 Bay Street, (First Floor) Toronto Elgin: 5101 (TEN LINES)

MELCHER'S LOSS CHIEFLY CAUSED BY EXPORT BAN

Surplus of $138,258 in 1929 is Reduced to Only $6,054

Melchers Distilleries Ltd. had a net loss on operations of $2,897 in the year ended December 31, 1930, as compared with a profit of $390,101 in the previous 14 months period. Payment of $150,000 in class A dividends, and charges brought forward from 1929, reduced the balance carried forward to $6.053 as compared with $138,258 brought forward from 1929. The company was adversely affected by Federal action in closing the United States export market but it is stated that the company had "increased its domestic operating position."

The export situation resulted in the company practically ceasing manufacturing operations during nine months of 1930. It is stated that the earnings figures show a sharper reversal than is actually the case due to reduction of inventory costs to a minimum and the charging of "idle" costs directly against profit and loss account rather than against production for the past year. This places the company in a better position with regard to future earnings. The company passed the quarterly dividend on the class A shares ordinarily payable on Dec. 15.

PROFIT AND LOSS ACCOUNT

	Year end. Dec. 31, 1930 $	Nov. 1, 1928 to Dec. 31, 1929 $
Net oper. profit*	†2,897	390,101
Add: Misc. income	......	7,125
Less: Incorp. chgs.	......	8,969
Loss on sale fixed assets	636	......
Income tax (1929)	16,591	......
Less adjustments	12,081	......
Net profits	†32,205	388,258
Less dividends: Class "A"	150,000	200,000
Class "B"	......	50,000
Surplus	‡182,205	138,258
Prev. surplus	138,258	......
Prov. for class "B" div. cancelled	50,000	......
Bal. carr. forward	6,053	138,258

*After deducting selling, administration expenses and providing for depreciation.
†Loss.
‡Debit.

Current assets amount to $1,688,673 of which $1,549,617 is in inventories of matured and raw spirits as compared with $1,481,348 in 1929. Cash is down to $19,627 from $46,904 and accounts receivable to $119,429 from $147,711. Ratio of current assets to current liabilities is 3.62 to 1 as against 5.73 to 1 in 1929. Land, buildings, machinery and equipment are carried at $1,543,957, a small increase; trade marks, formulae and patents remain at $1,555,200 and deferred charges have increased to $66,582 from $52,483.

Bank loans have been increased to $390,000 from $200,000 and accounts receivable to $73,111 from $42,615. Accrued liabilities amount to $3,583. There is a mortgage payable of $4,625 that was not present in 1929. The capital stock outstanding is the same with 100,000 no par value class A shares carried at $3,500,000 and 50,000 no par value class B shares carried at $877,048. Surplus has been reduced from $138,258 at the end of 1929 to $6,054 at the end of 1930, as follows:

Agricultural Credit Co. to Operate from Montreal

From Our Own Correspondent

MONTREAL.—Application has been made by a Montreal legal firm for the incorporation of Dominion Agricultural Credit Co., with a capitalization of $5,000,000 divided into 50,000 shares of $100 each. The aims of this organization are to provide capital for farmers desirous of going into mixed farming. If the application is approved in its present form, the company will also have power to deal in farm products, but cannot lend money on farm mortgages.

The plan announced in the west by Mr. Bennett provide that the company, which is a private organization, would have as shareholders, the transportation companies, banks, industrial enterprises, insurance companies and mortgage corporations. The capital of the company would be used as a revolving fund. The plan is along the line of that suggested by E. W. Beatty, president of the Canadian Pacific, and last week Sir Henry Thornton, president of the Canadian National, announced the C. N. R. was willing to co-operate.

C. G. E. Occupy New Building

Canadian General Electric Co. operations in western Canada will henceforth be directed from the new building recently completed in Winnipeg at a cost of some $250,000. The building was opened for business on February 2 and the company will use all five storeys. Display rooms for appliances take up all of the ground floor, the second floor is devoted to the business offices of the company and the upper three storeys are used as stock rooms. The building contains 36,000 sq. ft. of floor space.

HONEY DEW EARNS 49c ON COMMON, $10.58 ON PREF.

Profits in Last Year Are Greater on Practically Same Sales Total

Honey Dew earnings in 1930, as revealed by the annual statement, amounted to $10.58 a share on 15,000 shares of no par value $7 preferred stock and 49 cents a share on 108,500 shares of no par value common stock. In the preceding year, according to figures provided, the earnings on preferred stock had been $9.81 and on common stock 39 cents a share after equivalent deductions for taxes. The actual statement for the preceding period had covered from February 11, 1928, to December 31, 1929, showing earnings of $16.52 on preferred and 98 cents a share on common stock.

	1929 $	1930 $
Sales	1,470,595	1,479,989
Profits before certain deductions	212,414	256,653
Depreciation	70,301	76,516
Int. U.S. rights	......	19,672
	142,112	160,464
Interest earned	18,756	11,912
Net profit	160,869	172,377
Res. for taxes (a)	13,700	13,700
	147,169	158,677
Pref. dividends	105,000	105,000
	42,169	53,677
Prev. surplus	64,544	106,713
		160,390
Tax adjust.	......	77
Surplus	106,713	160,467

(a) Placed at same as 1930 for sake of comparison in absence of definite figure.

The surplus account shows balance at credit December 31, 1929, of $106,712, to which is added net profits for last year of $172,377 and an adjustment of taxes of $77, giving directors the sum of $279,167 for appropriations. Preferred dividends amounted to $105,000 and reserve for taxes $13,700, leaving an earned surplus forward of $160,467.

Current assets are shown at $145,513 as against current liabilities of $85,767, a ratio of 1.69 to 1 and leaving working capital of $59,746. Total assets are shown at $2,068,453, while substantial holdings of the common stocks of Honey Dew Inc., of Illinois, and Honey Dew Western Ltd., are carried at the nominal sum of $1 each. Honey Dew, Inc. (1,000 shares) stock is carried at cost ($50,000) and there have been advances of $133,519 to this company as well as advances of $40,461 to Honey Dew Western. Assets include $718,112 for goodwill and $600,000 for United States rights.

Public Utility Earnings

Barcelona Traction

December:	1930 Pesetas	1929 Pesetas	Increase Pesetas
Gross earn.	9,965,470	9,599,299	496,171
Oper. exp...	3,442,643	2,994,922	447,721
Net earn...	6,252,827	6,604,377	x351,550
Aggre. gross from Jan. 1 ..	107,285,048	102,175,201	5,109,847
Aggre. net from Jan. 1 ..	70,281,998	65,365,918	4,916,080

x—Decrease.

Dominion Bank Officers Attend Annual Meeting

The following officials from out of town attended the annual meeting of the Dominion Bank which was held at the head office in Toronto on the 28th January:—

F. L. Patton and R. K. Beairsto, Winnipeg; C. Waite, Belleville; J. G. Hall, Brampton; G. G. Kenzie, Brantford; W. Watts, Chatham; J. W. Spragge, Cobourg; A. H. Bazett, Guelph; N. Evans, Hamilton; W. E. Glenney, Huntsville; R. D. Boughner, Kitchener; J. W. Maize, Leamington; M. E. Grant, Lindsay; B. B. Manning, London; T. W. Rhind, Marmora; M. S. Bogert, W. O. H. James, J. K. Muir and J. B. O'Neill, Montreal; A. M. Bishop, Wingham; J. A Wallace, Woodstock; J. G. Fraser, Napanee; W. E. Scott, Orillia; T. W. Joyce, Oshawa; C. O. Fellowes, Ottawa; R. T. E. Hicks-Lyne, Peterborough; P. C. Marsh, St. Thomas; W. B. Macdonald, Sarnia; R. M. Jones, Seaforth; D. T. Hepburn, Uxbridge; J. H. Perry, Whitby; G. S. Hackland, Windsor; A. W. Rice, New York.

Bed and Mattress Makers Increased Output in 1929

Manufacturing concerns in Canada that make beds, springs and mattresses as their principal product had a record year in 1929, according to the annual report on the industry just issued by the Dominion Bureau of Statistics. Gross value of output at $10,906,703 exceeded that of 1928 by $495,373.

Number of establishments increased to 66 from 63 in 1928 and capital employed is shown at $8,888,088, a gain of $732,833. Employees numbered 1,936 and salaries and wages paid amounted to $2,480,931. Cost of materials increased by some $83,000 to $5,545,242. The figures do not include companies that manufacture beds, springs and mattresses as secondary products.

The report on the industry includes considerable data on the trend of capital investment, value of production and employment, as well as tables showing source of power, materials used, imports and exports. Names and addresses of firms engaged in the industry are also shown.

Main Johnson Resigns as Industrial Manager

Main Johnson, for two years general manager of the Toronto Industrial Commission has tendered his resignation to take effect at the expiry of his two-year contract with the Commission. Mr. Johnson has been with the commission since its inception in April, 1929, and has been largely responsible for the organization of that body into one of the most efficient of its kind on the continent.

No announcement has been made as yet either as to a successor for Mr. Johnson or as to Mr. Johnson's future plans. His contract with the commission does not expire for nearly two months.

Hamilton Cotton Earnings Reported to be $100,000

Hamilton Cotton Co. is reported to have earned more than $100,000 after depreciation in 1930, an amount sufficient to provide the $55,000 needed for bond interest, $39,360 for preferred dividends and leave more than $5,000 for income tax for 1929.

No common dividends are paid by this company but the $2 preferred dividend was earned twice over in 1929. The 1930 statement is expected early in March and it is hoped that the report to shareholders will indicate what effect on the company's prospects recent and pending tariff adjustments are likely to have.

BRITISH AMERICAN BANK NOTE COMPANY
LIMITED

Producers of
Bank Notes, Bonds, Stock Certificates, Postage and Revenue Stamps, Cheques, Municipal Debentures, etc.

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and
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WINNIPEG, MAN.

J. P. LANGLEY & CO.
Established 1889
C. P. ROBERTS, C.A.
M. HILBORN, C.A.
Chartered Accountants
G. S. HOLMESTED
Trustee in Bankruptcy Proceedings
Offices: McKinnon Bldg., Toronto

NEW ISSUE

$12,000,000

Maclaren-Quebec Power Company

Thirty-Year 5½% First Mortgage Sinking Fund Bonds
Series "A"

To be dated February 1, 1931 — **To be due February 1, 1961**

Principal and semi-annual interest (February 1 and August 1) payable at the holder's option in gold coin of Canada or its equivalent at The Bank of Nova Scotia in the Cities of Toronto, Ottawa, Montreal, Quebec, Halifax, Saint John, Winnipeg, Regina, Calgary and Vancouver, or in United States gold coin of or equal to the present standard of weight and fineness, at the Agency of the said Bank in New York City, or in Sterling at the fixed rate of $4.86⅔ to the Pound, at the chief office of the said Bank in London, England. Redeemable at any time in whole or in part for Sinking Fund or otherwise, at the option of the Company, on sixty days' notice at 105%, to and including February 1, 1936; and thereafter at 103% to and including February 1, 1946; and thereafter at 102% to and including February 1, 1951; and thereafter, prior to maturity, at 101%; in each case with accrued interest to the date of redemption. Coupon bonds registerable as to principal only in denominations of $1,000, $500 and $100. Fully registered bonds in denominations of $1,000 and authorized multiples thereof.

The Trust Deed will provide for an annual cumulative sinking fund for the Series "A" bonds commencing February 1, 1936, calculated to retire at least 50% of the bonds of that Series by maturity. Under this sinking fund bonds will be retired annually at or below redemption prices, or, failing this, will be redeemed by lot.

Trustee: The Toronto General Trusts Corporation

CAPITALIZATION
(Upon completion of present financing)

	Authorized	To be issued
First Mortgage Bonds	$18,000,000*	.....
Thirty-Year 5½% First Mortgage Sinking Fund Bonds, Series "A" this issue	.....	$12,000,000
Common Shares (No Par Value)	250,000 shares	50,000 shares

*The Trust Deed will permit the issue from time to time for the purposes provided therein, of the remaining $6,000,000 of authorized Bonds, either as Series "A" Bonds of the same tenor and effect as the present issue of Series "A" Bonds, or in one or more other series, payable in such currencies and places, maturing on such dates not earlier than February 1, 1961, bearing such rates of interest, and having such other attributes as the Directors may determine at the time of issue.

The following information has been taken from the letter to us dated January 29, 1931, from Mr. Albert MacLaren, President of Maclaren-Quebec Power Company, and this statement is subject to the more complete information contained therein:

THE COMPANY

Maclaren-Quebec Power Company, incorporated under the laws of the Province of Quebec, will have extensive water powers on the Lievre River, in that Province, permitting an economic installation of at least 245,000 electrical horse power, of which all will be owned by the Company in full ownership, except water powers permitting of an installation of about 35,000 E.H.P., which are held under emphyteutic leases from the Government of the Province of Quebec extending to the year 2004. The development of these water powers is being concentrated at two sites.

The first site at High Falls (about 30 miles from Ottawa and 104 miles from Montreal) has a head of approximately 180 feet and here the Company will have an ultimate installation of 115,000 E.H.P. Installations at this site capable of developing 86,000 E.H.P. are now complete and power is being delivered. The power house and dam have been designed and constructed so as to enable the development of the full 115,000 E.H.P. by the installation of only an additional penstock, turbine and generator for the remaining 29,000 E.H.P.

The second site at Masson Falls, situated below High Falls (about 17 miles from Ottawa, and 90 miles from Montreal), has a head of approximately 185 feet and will have an ultimate installation of 130,000 E.H.P. The Company proposes to proceed immediately with the installation of the full 130,000 E.H.P. at this site and the Company's plans provide that power from this site will be available for delivery on July 1, 1933, the date for delivery of the first block of power under the contract with Hydro-Electric Power Commission of Ontario referred to below.

It is estimated by Mr. Hardy S. Ferguson and Mr. Albert S. Crane, Consulting Engineers, that the properties of the Company upon completion of the installation of 245,000 E.H.P. will have a value of not less than $30,000,000. Upon completion of the Company's installation to 245,000 E.H.P. the total authorized amount of the First Mortgage Bonds will amount to less than $74 per E.H.P.

POWER CONTRACTS

Maclaren-Quebec Power Company will have a contract extending beyond the maturity of these bonds with Hydro-Electric Power Commission of Ontario, for the sale of 125,000 E.H.P. The first block of power under this contract is to be taken by July 1, 1933, with increasing quantities each year, the full amount to be taken by November 1, 1936.

In addition, Maclaren-Quebec Power Company will have a contract, extending beyond the maturity of these bonds, with The James Maclaren Company Limited for 66,000 E.H.P. The full amount of power deliverable under this contract is to be taken as from January 1, 1931.

EARNINGS

It has been estimated by Mr. Albert S. Crane that the net earnings of the Company from the two contracts above-mentioned (after all operating expenses, but before depreciation) available for interest on the First Mortgage Bonds will amount to $990,000 for the year beginning July 1, 1933, and increasing progressively with the amounts of power to be taken under these contracts, will reach $2,177,000 for the year beginning November 1, 1936. The annual interest requirements of the present issue $12,000,000 Series "A" bonds will be $660,000, and the annual interest requirements of the total authorized amount of First Mortgage Bonds (assuming a 5½% interest rate on later issues) would be $990,000.

When delivery up to the full amount of the contract is being made, it is estimated that the revenue received solely from the sale of 125,000 E.H.P. contracted for by Hydro-Electric Power Commission of Ontario, will be sufficient (after paying all estimated operating expenses of Maclaren-Quebec Power Company but before depreciation) to provide net earnings equivalent to more than 1.5 times interest requirements (assuming a 5½% interest rate on later issues) on the total authorized amount of $18,000,000 First Mortgage Bonds.

SECURITY

The First Mortgage Bonds will be secured by a first fixed and specific closed mortgage upon all the real and immoveable properties and rights of the Company now owned or hereafter acquired (except its transmission line properties which are now in process of acquisition) the two power contracts above-mentioned and the Company's storage reservoir rights. The transmission line properties will be subjected to the specific mortgage as soon as the acquisitions are completed. The bonds will also be secured by a first floating charge on the undertaking and all other assets of the Company. Under the Trust Deed the charge thereof will be subject to the obligations of the Company under the contract with Hydro-Electric Power Commission of Ontario, and in the event of the sale of the mortgaged premises thereunder, the purchaser must assume these obligations. Claims for privileges (liens) in connection with the construction work have been registered against certain of the Company's properties. These claims are denied by the Company, but sufficient cash to provide for them, if substantiated, will be deposited with the Trustee for the bondholders.

A substantial portion of this issue is being offered simultaneously in United States, England and Continental Europe.

These bonds are offered for sale when, as and if issued and received by us, and subject to the approval of Messrs. Meredith, Holden, Heward & Holden as to the incorporation and organization of the Company, the creation and issue of the bonds, and as to franchises and water rights, and of Aimé Geoffrion, Esq., K.C., as to the above referred to contracts for the sale of power, and of Messrs. Aylen & Aylen as to titles to immoveable properties.

PRICE: 94 and accrued interest, to yield 5.93%
(Plus Federal Transfer Tax)

It is expected that Trustee's certificates will be ready for delivery on or about February 12, 1931.

Dominion Securities Corporation Limited — **Newman, Sweezey & Co.** Limited

Nesbitt, Thomson & Company Limited — **Royal Securities Corporation** Limited

The information contained in this advertisement is based upon official statements and statistics on which we have relied in the purchase of these bonds. We do not guarantee but believe it to be correct.

Mining Stock Quotations

Week Ending February 2

Par Val.	Range High	1931 Low	Company	Close Jan. 26 (or last)	High for week	Low for week	Close Feb. 2
1	.23	.14	Abana	.16	.18	.14	.14
1	.02	.01	Aconda	.01½	.01½	.01½	.01½
None	*.50	.32	Aladdin	.33	....	....	....
None	*.50	.30	Aldermac	.40	....	....	....
1	.03	.01¾	Algonquin	.02½	.03	.02½	.03
1	.02	.01	Amity C.	.01½	....	....	....
None	.38	.30	Amulet	.35	.38	.30	.35
1	.01¼	.01	Apex	.01¼	.01½	.01¼	.01½
1	.02	.01¼	Area	.01½	.01½	.01¼	.01½
1	*.02	.00¼	Argo, Cons.	.01½	....	....	....
1	.02½	.01¼	Arno	.02½	.02½	.01¼	.02½
1	*.03	.00½	Astoria	.00½	....	....	....
1	.02	.00½	Atlas	.01½	.01	.00½	.01
1	.02½	.01¼	Baldwin	.02½	.02¼	.01¼	.01½
1	.17½	.08	Barry Holl.	.17½	.17½	.14	.14
None	1.25	1.05	Base Metals	1.15	1.15	1.05	1.05
None	.02	.00½	Bathurst	.01½	.02	.01½	.02
5	1.75	1.75	B'Wana	1.75	....	....	....
1	*.82	.12	Bedford	.15	....	....	....
None	.06½	.03½	Bidgood	.05½	.06½	.04¾	.06½
1	.50	.39	Big Missouri	.45	.48	.42	.43
1	.05½	.02	Bobjo	.03	.05½	.04	.05½
None	.00½	.00½	Boischatel	.00½	....	....	....
1	.08	.02½	Brett Trethewey	.06½	.08	.05	.05
1	*.06	.03	Brit. Canadian	.06	....	....	....
None	*.14	.01½	Brownlee	.05	....	....	....
1	.01½	.00¾	Buckingham	.01	.01¼	.01	.01¼
1	.08½	.03	Bunker Hill	.07½	.08	.04½	.05
None	.03	.03	Cal. Flin Flon	.03	.03	.03	.03
None	.05	.05	Canam Metals	....	.05	.05	.05
1	.04	.01½	Can. Kirk	.02½	.04	.03	.04
1	.02	.02	Can. Lorraine	.02	....	....	....
1	.15	.15	Canusa	.15	....	....	....
1	*.03	.00¼	Capital R.	.00½	....	....	....
1	.22	.18	Castle Tre.	.20	.18	.18	.18
1	.13	.03	Cen. Manitoba	.11	.13	.10½	.10½
1	.05	.02¾	Cen. Patricia	.03¾	.05	.03½	.04½
1	*.07	.04½	Chaput H.	.04½	....	....	....
None	.07½	.02	Chib. Pros.	.07½	....	....	....
None	.08	.04	Clericy	.05	.05	.04	.04½
5	5.00	4.00	Coast Copper	5.00	5.00	5.00	5.00
1	.03	.02	Cobalt Contact	.03	.02½	.02	.02½
1	*.01	.00½	Col. Kirk	.00½	....	....	....
1	.22	.05	Columario	.18	.22	.17	.20
5	.55	.50	Coniagas	.51	....	....	....
5	.60	.50	Coniaurum	.50	.60	.60	.60
25	150.00	135.12	Cons. Smelter	140.00	140.00	135.12	137.00
1	.01	.00½	Corona	.00½	.01	.00½	.01
1	.02½	.00¼	Crown Res.	.02	.02½	.02	.02
None	.05	.03	Dom. Explor.	.04½	.05	.04	.04
None	10.65	9.00	Dome Mines	10.10	10.50	9.95	10.15
1	*.01½	.00¼	Dom. Kirk	.00½	....	....	....
1	*.05	.00½	Dunkin	.06½	....	....	....
1	.01½	.00½	Duprat	.00½	.01½	.01½	.01½
1	.45	.20	Eldorado	.40	.41½	.36	.40
1	*.01	.00½	Everett	.0½	....	....	....
None	1.62	1.38	Falconbridge	1.56	1.55	1.45	1.50
1	.08½	.02½	Federal	.06	.07½	.05	.07½
None	.00½	.00½	Flintoba	....	.00½	.00½	.00½
None	.22	.15	Gem Lake	.21	.21	.21	.21
None	*.07	.01	Gilbec	.01	....	....	....
1	.04½	.02½	Goldale	.04½	.04½	.04	.04
[illegible]	.22	.15	Goldfield	.19	.20	.15	.15
1	.01½	.00½	Gold Hill	.00½	.01½	.00½	.01
1	.06	.02½	Goldfish	.06	.06	.05	.05
1	.02	.00½	Graham	.02	.02	.01	.01
None	1.85	1.40	Granada	1.81	1.85	1.75	1.75
1	*.01	.00¼	Grover Daley	.00¼	....	....	....
1	.06½	.06	Grozelle	.06	.06½	.06½	.06½
1	.01	.01	Harker	.01	.01	.01	.01
1	*.18	.10½	Hayden	.10½	....	....	....
1	.01	.00½	Hilltop	.00½	.01	.01	.01
5	8.60	6.00	Hollinger	8.05	8.60	8.10	8.35
1	.38	.25¾	Howey Gold	.37½	.38	.34	.35¼
None	5.05	4.10	Hudson Bay	4.80	5.00	4.75	4.75
None	*.31	.30	Huronian	.31	....	....	....
None	16.75	13.87	Int. Nickel	15.25	15.25	13.87	14.50
1	.02	.01¼	Jackson M.	.01½	.01½	.01¼	.01¼
1	.28	.25	Keeley	.27	.27	.27	.27
1	.04	.00½	Keora M.	.00½	....	....	....
1	.01¼	.00¼	Kirk. Hunt.	.00¼	....	....	....
1	.80	.55	Kirk. Lake	.75	.76	.72	.75
1	.02	.01½	Kirk. Prem.	.01½	.02	.01½	.01¾
25c.	.02	.01	Koot Flor.	.02	.02	.01¾	.02
	*.02	.02	La Rose	.02	....	....	....
1	26.50	23.50	Lake Shore	26.35	26.50	25.60	25.80
1	.01	.01	Laval	.01	.01	.01	.01
1	*.01	.00¼	Lorraine C.	.00½	....	....	....
1	.17½	.10	Macassa	.15	.17½	.13	.17½
1	.06½	.02	Malartic	.05½	.06½	.04½	.05
None	.12	.06	Mandy	.09½	.12	.09½	.12
None	.03½	.02	Man. Basin	.03¼	.03½	.03	.03¼
None	*.30	.12	McDougall	.15	....	....	....
1	.35	.30	McKinley	.30	.35	.30	.35
5	24.00	20.50	McIntyre	23.50	23.50	22.00	22.00
1	.29	.29	McMillan	....	.29	.29	.29
1	*.30	.04	McVittie	.04	....	....	....
5	2.05	1.46	Mining Corp.	1.91	1.90	1.75	1.80
1	*.01¼	.00½	Mint Ore	.00½	....	....	....
1	.03	.01	Moffatt Hall	.02	.03	.01¾	.03
1	*.04	.02	Moneta	.03½	....	....	....
1	*.07	.00¼	Mtl. Rouyn	.00½	....	....	....
1	.30	.20	Moss	.25	.30	.25½	.30
1	.04¼	.01	Murphy	.03	.04¼	.03	.03¼
1	.06½	.05¼	Newbec	.05½	.05½	.05¼	.05½
1	.02½	.02	Night Hawk	.02	....	....	....
5	1.50	1.15	Nipissing	1.25	1.50	1.30	1.45
None	17.90	14.00	Noranda	16.50	17.90	16.00	17.20
1	.41	.30	Nor. Canada	.37	.36	.30	.30
None	.01	.01	Old Colony	.01	....	....	....
1	*.03¼	.01	Ophir	.01	....	....	....
1	.10¼	.05½	Oriole	.06½	.07	.05½	.05½
1	.15	.08½	Osisko	.09	.15	.09½	.15
1	.04	.01½	Pawnee Kirk.	.04	.04	.02½	.03¼
None	.85	.70	Pend. Ore.	.75	.80	.75	.80
1	.04¼	.02½	Pete. Cobalt	.02¼	.03¼	.02½	.03¼
1	.00½	.00¼	Picard	.00¼	.00¼	.00¼	.0¼
1	*.20	.04	Pioneer	.04	....	....	....
1	.01½	.00¼	Porc. Crown	.01½	.01½	.01	.01
1	.03¼	.00½	Potter Doal	.00½	....	....	....
1	.85	.65	Prem. Gold	.75	.85	.71	.72
1	*.70	.04	Quemont	.07	....	....	....
1	.01	.00½	Ribago	.00½	.01	.00½	.01
1	.28	.24	Rich Rock	.28	....	....	....
1	.10½	.03½	Ritchie	.05	.10½	.05	.10
1	*.04	.00¼	R. Montbray	.01	....	....	....
1	*.08	.01	Salmo Mal.	.01¼	....	....	....
None	.18¼	.10¾	San Antonio	.15	.18¼	.15½	.17
1	.20	.18	Seven Troughs	.20	....	....	....
1	1.10	.75	Sherritt G.	.93	.99	.91	.91½
1	.54	.36	Siscoe	.52	.54	.47	.48
None	*.04½	.00½	So. Keora	.03½	....	....	....
1	.05	.02½	Stadacona	.04½	.05	.04½	.04¾
1	.12½	.03½	St. Anthony	.12½	.12	.10½	.12
None	*.25	.11	Stewart Abate	.11	....	....	....
1	.80	.51	Sud. Basin	.70	.70	.62	.65
1	.03	.01	Sud. Contact	.02½	.02½	.01	.01
None	*.01	.02½	Sudbury M.	.00½	.01	.00½	.01
1	*.20	.03	Sudbury N.	.03	....	....	....
1	.25	.25	Sunloch	.25	....	....	....
1	.72	.48	Sylvanite	.68	.70	.66	.68
1	.07½	.04½	Tashota	.06	.07½	.07¼	.07½
1	7.35	6.15	Teck Hughes	7.10	7.20	6.90	7.05
1	.07¼	.04	Telluride	.07	.07¼	.07	.07¼
1	*.03	.02	Temiskaming	.02	....	....	....
1	.02½	.02½	Thom. Cad'c	.02½	....	....	....
1	.02½	.00½	Tough Oakes	.01	.02½	.01¼	.01½
1	.25	.20	Towagmac	.20	.25	.25	.25
None	2.50	1.00	Treadwell	2.50	2.80	2.00	2.00
None	2.80	2.50	Tri-Metals	2.75	2.80	2.50	2.80
•	.09½	.04½	United Kirk	.06½	.05	.05	.05
•	.02½	.02	Vacuum Gas	.02	....	....	....
None	.60	.40	Ventures	.58	.59	.50	.50
1	*.50	.10	Vickers	.10	....	....	....
1	1.22	.99	Vipond	1.20	1.18	1.10	1.10
None	2.00	1.65	Waite Ack.	1.85	1.79	1.65	1.75
1	*.03	.01	West D. Lake	.01½	....	....	..
	*.09	.01½	West Tree	.01½	....	....	....
1	.24	.19	White Lake	.21½	.23½	.19	.22
1	.04½	.04½	Wiltsey	.02	.04½	.04½	.04½
None	*.01¼	.00¼	Windfall R.	.00½	....	....	....
None	*.07	.03	Wood Kirk	.03½	....	....	....
None	2.38	1.85	Wright-Har.	2.22	2.32	2.10	2.21
			WESTERN OIL STOCKS				
1	.29½	.16	Acme	.22½	.23¼	.20½	.21
1	*2.10	2.00	Admiral	2.00	....	....	....
None	.50	.50	Advance	.50	....	....	....
1	.35	.30	Alta Pac.	.31	.32	.30	.30
1	.08	.07	Amalgamated	.08	....	....	....
None	.25	.16	Associated	.21	.22	.16	.18
1	1.89	1.44	Ajax	1.50	1.56	1.47	1.47
None	.12	.08	Baltac	.10	.10	.08½	.08½
1	*.20	.07	Black Dia.	.07	....	....	....
1	.29	.26	Brit. Dom.	.28	.29	.28	.29
1	.32	.22	Calmont	.22½	.27	.22	.24½
None	.71	.56	Calgary & Ed.	.66	.70	.65	.65
1	1.47	.29½	Comm. Pete.	.31	.36	.30	.30
None	.25	.10	Cypress	.12	....	....	....
None	.60	.45	Dalhousie	.53	.57	.48½	.53
None	.07	.05	Devenish	.07	.07	.07	.07
None	.12	.09	Dome Oil	.11½	.12	.10	.10
None	.69	.47	E. Crest	.54	.55	.52	.52
1	.03	.02½	Fabyan Pete.	.03	.03	.03	.03
None	.50	.40	Foothills	.40	.40	.40	.40
None	.18½	.12	Freehold	.17	.18	.17	.17
1	.02	.02	Great West	.02	....	....	....
None	.17	.11	Hargal	.12	.12½	.11½	.11½
None	.10	.09	Herron Pete.	.14½	.10	.09	.09
None	.07½	.06	High Sarcee	.07½	.07½	.07	.07½
None	2.00	1.50	Home	1.67	1.72	1.57	1.58
None	.22	.15	Homestead	.21	.21	.19	.19
1	.08¼	.05	Ill. Alta	.07¼	.08	.06¾	.07¼
None	.45	.45	Lowery	.45	....	....	....
1	.05	.03½	Madison	.03½	.04	.03½	.03½
1	.85	.75	Mayland	.80	.80	.76	.76
None	.11	.09¾	McD. S. Ex. Can.	.11	.10½	.10½	.10½
1	.29	.25	McD. S. M.	.28½	.26	.26	.26
1	.72½	.65½	McLeod	.68	.70	.65½	.66
None	.39	.33½	Mercury	.34½	.36	.33½	.33½
None	.39	.33½	Mercury	.34½	.36	.33½	.33½
None	.2	.15	Merland	.18	.20	.16	.18
1	.18	.16	Mid West	.17	.16	.16	.16
None	.38	.33	Mill City Pete	.35	.36	.34	.34
1	.49	.30	Model	.43	.42½	.39½	.42½
1	.14	.12	Monalta	.13½	.14	.14	.14
1	.31	.08	Moose M.	.08	.08	.08	.08
1	*.10	.02	New Federal	.02	....	....	....
None	.42	.26	Nordon	.32	.32	.26	.30
None	.08	.02½	Oil Select	.04½	.05½	.04	.04½
None	.28	.24½	Okalta	.26	.27	.25	.25
	27.00	27.00	Do., pref.	27.00	....	....	....
None	.10	.05	Olga Gas & Oil	.08½	.08	.07½	.08
1	.36	.31	Petrol	.32	.34	.31½	.33
	*2.45	1.70	Penn Pete	2.30	....	....	....
None	.14	.12	Ranchmen's	.12	.14	.14	.14
1	.05	.03½	Regent	.05	.04½	.03½	.03½
None	.13	.09	Richfield	.11	.11	.10½	.10½
None	17.50	15.00	Royalite	17.00	17.50	16.50	17.00
1	*.46	.20	Sarnia Oil	.20	....	....	....
1	*.50	.15	Sioux City	.15	....	....	....
1	.06	.04½	Signal Hill	.05½	.06	.05	.05½
1	.60	.40	Spooner	.55	.54	.50	.51
None	.27	.20	So West Pete.	.20	.23	.23	.23
None	.19	.16	Sterling Pac.	.19	.19	.17	.18
	*.20	.05	Turner Basin	.20	....	....	....
1	.15	.15	Turner Valley	.15	....	....	....
None	.31	.25	United	.29	.30	.27	.28
None	*.83	.19	Vanalta	.19	....	....	....
1	.15½	.14	Vulcan	.15	.14½	.14	.14
None	.05	.01	Wainwell	.03½	.02½	.02	.02½
1	.25	.18	Waite Valley	.25	.25	.20	.25
	*.62	.50	Wellington	.50	....	....	....
			VANCOUVER STOCK EXCHANGE (Transactions for Week to January 28)				
25c.	.01	.01	Bayview	.01	....	....	....
25c.	.02½	.01	Beaver Silver	.01	.02½	.01½	.02½
25c.	.02	.02	Bluebird	.02	....	....	....
25c.	.01	.00¾	Cork Province	.01	.00¾	.00¾	.00¾
1	.20	.15	Cotton Belt	.18	.18	.15	.18
1	.10	.10	Duthie	.10	....	....	....
1	.65	.60	George Copper	.60	.60	.60	.60
50c.	.05	.05	Geo. Enterprise	.05	....	....	....
1	.02¾	.02	Georgia River	.02½	.02¾	.02½	.02¾
50c.	.02½	.02½	Glacier	.02½	....	....	....
10c.	....	....	Gladstone	.20	....	....	....
1	.40	.35	Golconda	.36	....	....	....
50c.	.05	.03	Grandview	.03½	.04½	.04½	.04½
1	.17½	.17½	Intern. Coal	.17½	....	....	....
1	.01½	.01	Independence	.01	....	....	....
1	*.09	.00½	Indian Mines	.01	....	....	....
1	.43	.43	Jack Waite	....	.43	.43	.43
25c.	.00¾	.00¾	L. & L.	.00¾	....	....	....
1	.12	.12	Los Ang. Van.	.12	....	....	....
25c.	.00¼	.00¼	Lakeview	.00¼	....	....	....
10c.	.03½	.01½	Lucky Jim	.01½	.03½	.03½	.03½
25c.	.01½	.01	Kootenay King	.01	.01½	.01½	.01½
2.50	*.14	.05	Marmot Gold	....	....	....	....
25c.	.00¾	.00½	Mohawk	.00¾	.00¾	.00¾	.00¾
1	*.47	.29	Montana Mines	....	....	....	....
1	.05	.03¼	Morton Woosley	.04¼	.04¼	.04	.04
50c.	.02½	.02	National Silver	.02½	.02½	.02½	.02½
50c.	.05½	.04½	Noble Five	.05½	....	....	....
50c.	.06	.05	Oregon Cop.	.06	.06	.06	.06
1	1.45	1.23	Pioneer Gold	1.30	1.45	1.33	1.45
1	.16	.08	Planet	.10	.09	.09	.09
50c.	.08½	.07½	Porter Idaho	.08	.08	.08	.08
None	.01	.01	Premier Border	.01	.01	.01	.01
None	.25	.20	Reeves McD.	.22	.20	.20	.20
1	.20	.12	Reno Gold	.16	.20	.16½	.18½
1	.02	.02	Rufus Argenta	.02	....	....	....
1	.04½	.04	Ruth Hope	.04½	....	....	....
1	*.85	.06	Silverado	....	....	....	....
25c.	.02	.01¾	Silver Crest	.02	.02	.01¾	.02
20c.	*.05	.05	Silversmith	.05	....	....	....
50c.	.05	.01¾	Snowflake	.03½	.05	.03	.03½
1	*.02	.02	Terminus	.02	....	....	....
50c.	.01¼	.01¼	Topley Rich.	.01¼	.01¼	.01¼	.01¼
5	*.50	.50	Toric	.50	....	....	....
20c.	.01	.01	Wellington	.01	.01	.01	.01
1	.05	.05	Whitewater	.05	....	....	....
None	.01½	.01	Woodbine	.01¼	.01½	.01½	.01½

*Quotations for 1930. No sales recorded in 1931 to date.

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Cons. Smelters	$12.50	9.12	Nipissing	30c.	20.68
Dome Mines	$1	9.85	Premier	12c.	16.66
Hollinger	65c.+5c.	8.38	Spooner Oils	6c.	....
Inter. Nickel	60c.	4.13	Sylvanite	$2	2.94
Lake Shore	$1.20+30	5.81	Teck Hughes	60c.	8.51
McIntyre	$1	4.54	United Oils	5c.	....
			Wright-Har	5c.	....

LAKE SUPERIOR STOCK DEPOSIT EXCEEDS QUOTA

Can Proceed With Scheme to Relieve Company of Liability

From Our Own Correspondent

MONTREAL. — Deposits of the requisite amount of stock by shareholders of Lake Superior Corp., completes initial requirements for the formation of Algoma Consolidated Corp., whereby the former company is relieved of its obligation in respect to the guarantee of principal and interest on the bonds of Algoma Central and Hudson Bay Railway and Algoma Central Terminals.

More than 77½ per cent of the outstanding stock of Lake Superior has been deposited with the trustee, according to an official statement, the total exceeding 310,000 shares out of the 400,000 shares outstanding. This is regarded as an excellent response, more than the requisite amount of stock having been deposited to enable further progress to be made in the scheme of rearrangement, under which it was stipulated that 75 per cent of the outstanding stock of Lake Superior Corporation must be exchanged before the plan becomes effective.

Bondholders Have Agreed

Bondholders of the Algoma Central and Hudson Bay Railway Company and Algoma Central Terminals, recently approved the scheme of arrangement, in which provision is made for the cancellation of the Lake Superior guarantee of the principal and interest of the bonds of the two companies mentioned. The scheme of arrangement includes plans for the organization of a new holding company, to be known as Algoma Consolidated Corp., and the exchange of Lake Superior stock into that of the new corporation. Shareholders of the Lake Superior Corporation have now signified their approval of this plan by the deposit of stock to the extent of more than three-fourths of the outstanding amount.

The basis of exchange is one share of seven per cent cumulative preferred stock ($5 par value) and one share of no par common stock of Algoma Consolidated Corporation for each share of the Lake Superior Corporation capital stock now held.

Shareholders who have not already deposited their stock will have a further opportunity to do so during this week and next. The date originally fixed was January 31, but this has been extended to February 14, after which it is possible that the terms now offered may not be available.

Part of the procedure in connection with the scheme of arrangement is its confirmation by Act of Parliament, and now that both the bondholders and shareholders concerned have approved the plan, the necessary steps are being taken by the Lake Superior Corporation for the presentation of a bill at the next session at Ottawa.

New Capital Set-up

After the scheme becomes effective, the revised capitalization of the several companies will be as follows:

Holding Company	
5% income securities	$ 3,092,550
(Held by the present railway bondholders and secured on $4,123,400 of the 5% first mortgage income securities of the railway company).	
7% cumulative preferred stock	2,000,000
(Owned by the shareholders in the Lake Superior Corporation).	
Common shares of no par value (part of 800,000 shares authorized)	600,000 shs.
(As to one-third held in trust for the present railway bondholders and owned as to two-thirds by the shareholders in the Lake Superior Corporation).	
Railway Company	
5% first mortgage inc. securities	$10,308,500
(Held as to $6,185,100 by present railway bondholders and as to $4,123,400 by the holding company).	
6% second mortgage bonds	318,800
(Held by the holding company).	
5% non-cumulative redeemable preference shares, par $4	500,000
(Held by the holders of the present preference shares of the railway company).	
Common stock (in 420,755 shares of $10 each) (hitherto owned by the Lake Superior Corporation)	4,207,550
(Held as to 206,170 shares in trust for the present railway bondholders; and as to 214,585 shares in trust for the holding company).	
Terminal Company	
5% first mortgage securities	£615,540
(Held by present terminal bondholders).	
Common stock	$100,000
(Owned as hitherto by railway company).	

HOME INVESTMENT PROFITS ARE LOWER

Directors Believe Some Interest Past Due Will Be Collected

Home Investment & Savings Association, Winnipeg, in the year ended December 31, 1930, earned $63,305, or 6.3 per cent, on its capital of $996,325, compared with $71,144, or 7.1 per cent in the previous year. The dividend of 5 per cent was continued.

It is explained by M. F. Christie, president, that the drop in profits was entirely due to the fact that certain accrued interest was not taken into account although it is believed that these sums will be collectable when conditions improve. The contingent reserve was increased by $14,929, compared with $21,743 a year ago. The contingent reserve now amounts to $25,000, compared with $39,000 at the end of the previous year.

Debentures outstanding now total $329,159, an increase from $309,240. Deposits are reduced from $335,742. Fixed-term deposits are down from $42,194 to $32,755. Bank loan is increased from $22,000 to $23,000. Sundry accounts payable are reduced from $12,532 to $12,078.

Mortgage investments total $1,503,-836, compared with $1,522,158. Agreements for sale on properties foreclosed and resold total $199,694 compared with $220,480 a year ago. Interest due is $35,622, compared with $23,-319 a year ago. Accrued interest not yet due amounts to $9,868, compared with $10,280 a year ago. Investment in bonds is reduced from $207,873 to $193,-010. Cash is $1,858, compared with $2,604. Real estate amounts to $179,-806, compared with $173,859. The office building is carried at $120,473, compared with $122,119. Gross assets are $2,287,143.

Following is the record of the company in recent years:

Earnings Record

	Paid-up Capital	Profits	Earned %	Div.
1926	$992,772	$63,954	6.4	.
1927	992,793	64,516	6.4	4
1928	994,322	71,201	7.15	5
1929	995,923	71,144	7.1	5
1930	996,325	63,305	6.3	5

Foundation Co. Elect New Executive Officers

From Our Own Correspondent

MONTREAL. — Foundation Company of Canada announce the election of R. R. Holland and V. G. Younghusband as vice-presidents of the company in charge, respectively, of engineering construction and building construction.

Heads Federal Grain

H. E. SELLERS,
formerly vice-president of Federal Grain Ltd., who becomes president, succeeding the late J. C. Gage. Mr. Sellers will continue as managing director. He is a director of a number of other enterprises, including the Imperial Bank and Alberta Pacific Grain Co.

DEFOREST RADIO WILL NOW MAKE REFRIGERATORS

Forms New Subsidiary, Norge Corp., With Important Pat. Rights

Norge Corp. of Canada, a new subsidiary of De Forest Radio Corp., will commence operations almost immediately in the manufacture and sale in Canada of electrical refrigerators.

The announcement by Major James E. Hahn, president De Forest Radio Corp., of the successful conclusion of negotiations with the Norge Corp., of Detroit, marks a further step in the direction of diversification for this company's products. Through the Norge Corp., of Detroit, it also links the Canadian company in a trading way with the Borg-Warner Corp., of Chicago, a $33,000,000 concern.

All patent manufacturing and selling rights have been secured. A distributor and dealer organization will be set up for the merchandising of both domestic and commercial electrical refrigeration units from coast to coast.

The capital of this new company is owned entirely by De Forest Radio Corp., and an interlocking directorate has been set up. Major Hahn is chairman of the board. The other officers are as follows: President and general manager, D. H. Pollitt; vice-president, A. L. Ainsworth; secretary-treasurer, J. W. Peart.

"The creation of the Norge Corp. of Canada is in accordance with our announced policy of diversification in the electrical industry," states Major Hahn. "In December we established the Hammond Co. of Canada for the manufacture of electrical clocks which, together with the radio and refrigerator units, now makes three associated enterprises.....

"The Norge Corporation of Canada will commence manufacturing in Toronto at an early date. In line with the De Forest Radio Corporation policy, only Canadian labor will be employed and Canadian materials will be used wherever possible."

ASBESTOS CORP. SHOWS NET LOSS FOR PAST YEAR

First Mortgage Bondholders Agree to Delay in Interest

From Our Own Correspondent

MONTREAL. — First mortgage bondholders of Asbestos Corp. have agreed to a postponement of the January 1, 1931, interest payment until July 1, 1931, provided that if such installment be not paid on that date, the grant of such delay should not relieve the corporation from the default which occurred on January 1, 1931.

A few months ago the general mortgage bondholders agreed to the postponement of interest on their holdings, while prior to that the dividend on the preferred was omitted.

Operating Loss in 1930

At the bondholders meeting, a number of questions were put to Col. R. F. Massie, president and managing director. In a general summary of the situation he stated that the net loss from operations for 1930 amounted to $52,800. Development, stripping, etc., absorbed $381,000 and a deferred charge of $100,000 carried forward from 1929, was also charged to operations. Interest and miscellaneous earnings offset these to the extent of $61,000, making the net loss for the year, before bond interest and depreciation, $472,000. First mortgage and general mortgage bond interest of $456,000, increased the deficit to $929,000, and an amount of $300,000 was charged for depreciation, making a net loss for the year of $1,229,000, after all charges, including depreciation and interest. This would leave a profit and loss deficit as at December 31, 1920, of slightly less than $1,000,000.

In answer to a question as to why $381,000 had been spent on exploration and development when the company lacked working capital, Col. Massie replied that this work was necessary because at the end of 1929 the company found it absolutely necessary to develop higher grade ore. Results were already being realized from this development work, he stated, and at the King Mine, where the principal amount of the development work had been done, a 5 per cent recovery was now being obtained as compared with between 2 per cent and 3 per cent a year ago. Further to illustrate this, he stated that in December, 1929, when the company was operating on double shift, a loss of $13,000 was incurred; whereas in 1930 a profit of $2,900 has been obtained from half the tonnage. A suggestion that the meeting adjourn for 30 days found no support.

R. A. Daly Sells Seat To Hamilton G. Merritt

Hamilton G. Merritt, a partner of Cameron, Pointon & Co., members of the Montreal Curb, has bought a seat on the Toronto Stock Exchange. The seller is R. A. Daly & Co., and the price is reported to have been $45,000.

It is understood that R. A. Daly & Co. in future will confine itself to the investment banking business, which always has been its main activity.

AMAL. ELECTRIC FAILS TO COVER SENIOR CHARGES

Earnings in 1930 Below Dividends Paid on Preferred

From Our Own Correspondent

MONTREAL.—Earnings of Amalgamated Eletcric Corp. in 1930 showed a sharp contraction as compared with the previous year amounting to $75,750 as opposed to $181,-920 for the 10 month period ended December 31, 1929. After deduction of depreciation and income tax there remained a sum equal to $1.09 a share on the preferred stock on which dividends at the rate of $3 a share were maintained last year.

Payment of this disbursement necessitated an excursion into surplus to the extent of $44,842. The company brought forward a balance of $13,024 into the current year as compared with $56,794 in 1929.

Comparison of Income

Following is a comparison of profit and loss account:

	1930 $	1929* $
Net earnings	75,750	181,920
Add: Profit on sale of inv.	.....	1,655
Total income	75,750	183,575
Less: Depreciation	47,992	44,539
Income tax	2,100	11,307
Adjustments	.....	14,565
Net profits	25,658	113,164
Less: Preferred divs.	70,500	56,370
Deficit	44,842	†56,794
Add prev. surplus	56,795	....
Adjustment	1,071	....
Balance forward	13,024	

*For 10 months ended Dec. 31, 1929.
†Surplus.

Total Assets Lower

Balance sheet as at the end of 1930 records total assets of $1,557,525, a drop of $100,000 from that reported at the end of the preceding year. Liquid position of the company is still maintained at a relatively high level, net working capital being $763,361 as against $714,013 at the end of 1929.

Changes noted in the assets include an increase of cash from $99,-967 to $132,297. Accounts receivable have declined about $24,000 to $83,-736. Inventories of raw materials, etc., now stand the company at $590,423 compared with $605,088 at the end of 1929.

Fixed assets are valued at $744,-080 as against $835,285. These figures are net after writing off depreciation of $91,895 in 1930 and $44,-539 in 1929. Goodwill and patents are still carried at the nominal figure of $1.

Surplus Shows Decline

On the liability side of the ledger current liabilities total $44,939, of which $27,314 represent accounts payable and the balance preferred dividends. There is no change in the capital stock values while surplus stands at $13,024 a decline of approximately $41,000 from the preceding year.

In his remarks to the shareholders, W. L. Bayer, president of the company, said in part:

"Due to general conditions your company suffered through contraction of sales. The organization, however, was considerably reduced and rigid economies enforced and it is felt by the management that 1931 should show a considerable increase in both sales and earnings.

"You will note in the balance sheet the excellent cash position of your company and the fact that there is more than $32 in net current assets alone behind every share of preferred stock outstanding. This is exclusive of any valuation on the fixed assets upon which a very liberal depreciation is taken off each year. In addition to that, during the year 1930 generous write offs were made on accounts and items taken over by the company through amalgamation.

REAL ESTATE LOAN PROFIT IS HIGHER

Toronto Company Adds to Debentures Issued in Great Britain

Real Estate Loan Co. of Canada, Toronto, in 1930 earned $8.88 per share, compared with $8.26 for the previous year. Dividend of $7 on the $100 stock was continued. Paid-up capital is $500,-000 and an appropriation of $10,000 to reserve brings that fund to $310,000.

Income from investment was $111,-395, compared with $109,689. Interest on money borrowed was $41,176, compared with $41,048. Expenses in connection with borrowings were $2,051, a reduction from $2,460. Cost of management, exclusive of the usual $1,200 to the president and the vice-president, was $17,705, a reduction from $18,605. Taxes paid and accrued also were down slightly, from $4,971, to $4,840. Previous surplus was $12,557, to which was added $9,423. Deductions from surplus were the amount transfered to reserve and $4,531 to the real estate reserve.

Increase in Debentures

Balance sheet shows the company to be in sound position. Real estate held for sale is reduced from $40,437 to $35,293. Principal of mortgage investment is $1,470,903, compared with $1,423,383. Accrued interest has increased only moderately, from $33,927 to $37,663. Loans on stocks and bonds are up only $1 at $4,185. Dominion government bonds are unchanged at $15,136. Municipal, etc., bonds are reduced from $60,889, to $50,889. There is little change in cash at $26,293. Gross assets are $1,640,362, compared with $1,609,396 a year ago.

There is an increase in debentures issued in Great Britain, the amount being up from $663,784 to $680,867. Debentures issued in Canada also have grown from $11,455 to $129,753. The company does not accept savings deposits.

Following is the record of the company in recent years:

Earnings Record

Year	Paid-up Capital	Profits	Earned %	Div.
1923	$500,000	$42,364	8.4	7
1924	500,000	35,178	7.0	7
1925	500,000	36,706	7.3	7
1926	500,000	40,384	8.0	7
1927	500,000	41,502	8.3	7
1928	500,000	41,321	8.2	7
1929	500,000	41,405	8.2	7
1930	500,000	44,423	8.8	7

ASSOCIATED BREW. WITHDRAWS OFFER

Claims B. C. Government Delayed Its Decision Too Long

From Our Own Correspondent

VANCOUVER.—Disgusted with the long delay of the provincial government in dealing with its beer policy, the Associated Breweries, Ltd., has withdrawn the application for permission to establish a brewery in Vancouver.

"We put our offer before the government in a business-like way, expecting that it would be treated as such," declared a spokesman for the Associated Breweries. "Instead, we discovered that there were seemingly endless political complications and rather than become involved in any of them we got out of the whole situation. If the government wants us to build a brewery they will have to come and ask us. The initiative will not be taken by us."

Evidently the pressure of the entrenched beer interests was too strong for the government to go ahead at once with the Associated Breweries' bid. The government announced some time ago that it was determined to rid the province of what it charged to be an absolute monopoly in beer, but it has repeatedly encountered barriers. Just what the government will eventually do about it remains to be seen, but it is probable that it will proceed with plans to import beer from outside the province. It was previously announced that the government would either do that or arrange for the building of another brewery in B. C., and the latter course has now been eliminated by the action of the Associated Breweries.

If the government goes outside the province for a substantial proportion of its beer supply, and that is assumed in view of its present antagonism towards the established brewers, this will mean more orders for Alberta breweries and possibly for beer producers operating further east.

National Trust Shareholders Review Year of Progress

Sir Joseph Flavelle, Bart., President, and Mr. W. E. Rundle, Vice-President and General Manager, Outline Development in 1930—Growth in Estates, Trusts and Agencies Stressed — Increasing Use of "Living Trusts" — General Experience in Business at Disposal of Trust Company Clients — Importance of a Trust Company's Work for Corporations — An Important Receivership Worthily Completed — Mr. A. N. Mitchell, General Manager of Canada Life Assurance Company, Elected a Director.

DEPOSITS AND GUARANTEED TRUST CERTIFICATES INCREASE SUBSTANTIALLY

Canadians Among Most Efficient Producers of Basic Commodities—Corrective Tendencies Now at Work—Confidence in Future.

A year of progress by National Trust Company was reviewed by Sir Joseph Flavelle, Bart., President, and Mr. W. E. Rundle, Vice-President and General Manager, at the annual meeting of the Company's shareholders, held January 29, 1931.

The President was in the Chair, and Mr. J. C. Breckenridge, General Superintendent, acted as Secretary to the meeting.

In moving the adoption of the report, Sir Joseph Flavelle said:—

I am happy to be able to present to you to-day a statement which I believe you will consider most satisfactory, especially having regard to the difficult times through which we have been passing. You will observe that the earnings are practically equal to those of a year ago, and that there is again a substantial increase in assets. There is a continuation of activity in all branches of the Company's business, and I am able to tell you that the condition of the Company continues an entirely healthy one.

As on previous occasions, I can assure the shareholders that every attention is being devoted to the maintenance of a high level as regards the staff. This is vital to the well-being of the Company, and is a matter which constantly engages the attention of the senior officers.

In accordance with the by-laws of the Company, the usual inspection of the Company's securities was made during the year by the Inspection Committee, and I have pleasure in laying their report upon the table to-day for your approval.

The usual annual inspection by the Government of the Province of Ontario took place during the year.

Your Directors authorized certain subscriptions to various charitable funds since the last General Meeting, and a resolution of confirmation of these subscriptions will be submitted to you to-day.

Tribute to the Late Mr. H. H. Fudger

We record with regret the death during the year of our colleague, Mr. H. H. Fudger. We recall with gratitude his long and valuable services as a Director of the Company since its inception more than thirty years ago, and the deep and sympathetic interest which he always took in its progress and welfare. We mourn his loss as an eminent citizen of Toronto, and wish to place upon record our sense of his high personal worth and integrity.

To take the place of Mr. Fudger your Directors submit the name of Mr. A. N. Mitchell, General Manager, Canada Life Assurance Company, who your Directors feel will be a valuable addition to the Board.

I desire on behalf of the Board to express appreciation of the services given to the Company's affairs by the resident Directors at Montreal, Hamilton and Winnipeg; also to acknowledge the valuable services of Messrs. Thomson, Dickson and Shaw, of Edinburgh, the Company's sole Agents in Scotland.

Before moving the adoption of the report I shall ask the General Manager to address you.

GENERAL MANAGER'S REMARKS.

Sir Joseph and Gentlemen:—

We have had another prosperous and satisfactory year, and are able to submit to the shareholders to-day a statement showing progress in the Company's business. Net earnings are $614,463.70, which, while a few thousand dollars below the record earnings of 1929, are largely in excess of those of any other year in the history of the Company.

The above earnings, together with $136,415.63 brought forward from 1929, make the total at the credit of the Profit and Loss Account $750,-879.33. This provided for the payment of four quarterly dividends at the rate of 14 per cent. per annum, for taxes amounting to $80,914.28, and enabled us to carry forward $249,965.05 into Profit and Loss Account.

The Balance Sheet of the Company presents certain points of interest to which I should like to direct your attention. The shareholders will note that excluding Estate, Trust and Agency Accounts, our total Capital and Guaranteed Trust assets are $26,940,265.22, as against $24,052,380.72 a year ago, approximately $15,000,000 in 1925, and approximately $9,700,000 in 1920. This increase in 1930 is accounted for almost entirely, as you will observe, by increases in our Deposits and in our Guaranteed Trust Certificates, the Deposits having increased $1,567,430.83 and the Guaranteed Trust Certificates $1,-264,969.97.

Ratio of Liquidity 68.1%.

Of the total Capital and Guaranteed Trust assets it will be observed that $8,355,655.58 is represented by Government and Municipal securities, other bonds and debentures, call loans and cash, and $929,749.20, or less than 3½ per cent of the total, by stocks. You will further observe that of the $8,355,655.58 approximately $3,000,000 is in Government and Municipal securities, half a million in other high grade bonds and debentures, nearly $3,000,000 in call loans, and approximately $2,-000,000 in cash. As against total deposits of $13,678,145.20 we have liquid securities amounting to $9,-320,553.99—that is, we have a ratio of liquidity of 68.1 per cent.

Real Estate held for foreclosure amounts to $212,180.07, an increase over last year of approximately $25,000. I shall refer to this item later.

Office premises stand at $1,111,-401.89. This also is an increase over 1929 of approximately $30,000. The growing needs of our Edmonton Office necessitated an addition there during the year, and part of the cost is represented by this amount, the balance having been written off.

Mortgage Conditions in the West.

The balance of the assets is in mortgages, of which a large part are in the West. In view of this and as we have offices in the Provinces of Manitoba, Saskatchewan, and Alberta, you will expect me to say a word as to the present condition of mortgage loans in these Provinces. It is natural that the drastic shrinkage in the value of those crops on which the West so largely depends has to some extent affected our Western mortgages, particularly those held upon the security of farm property. The effect is minimized by the fact that we have always followed the most conservative methods in selecting our loans. Our valuations have been made upon a conservative basis by our own inspectors, who are salaried officers of the Company, and whose sole interest has been to secure only loans of the highest class. You will appreciate how conservative these valuations have been when I tell you that our loans against farm lands have averaged only $10.85, $7.10 and $9.53 per acre in Manitoba, Saskatchewan and Alberta respectively without including anything for farm buildings, which of course add substantially to our security.

Realizing that owing to the great dependence of the West on cereal crops there might be periods of difficulty such as the present, we have, over a long period of years, set aside a percentage of interest payments and thus accumulated substantial reserves. This enables us to show foreclosed properties in our Balance Sheet at a sum, namely $212,180.07, much below the total amount of our claim, and also below what we are satisfied we can realize from the properties. I can further assure the shareholders that, in addition, ample provision has been made for any possible losses in respect of mortgage or other investments as distinct from foreclosed properties. I would also point out that the present market value of our securities is considerably above the value at which we carry them in the Balance Sheet.

There is a difference of some significance between the present depression and the one following the war which might be worth mentioning. At that time there was an inclination for farmers in the Canadian West who found themselves in difficulty to cross the line to the south. At the present time difficulties in the United States are such that there is no inducement to do that, and it may be no small aid to us in Canada in facing our own troubles and overcoming them to know that others are no better off than ourselves.

I should like now to say something of the progress of the various departments of the Company and of the nature of the services which through these departments the Company offers to the public, and before doing so wish to say a word about the staff. The rendering of the varied services comprised in our business makes great demands on the ability and zeal of our staff, and I am happy to be able to tell you that never in the history of the Company was the capacity or loyalty of our staff at all our offices higher than at the present time.

Increase in Estates, Trusts and Agencies.

A gratifying increase has occurred during the year in that branch of the Company's business represented in the Balance Sheet by the item "Estates, Trusts and Agency Account." I may point out here that estates, trusts and agencies, which this year are approximately $235,000,000, amounted a year ago to $219,000,000, the corresponding figure in 1925 being $128,-000,000, and in 1920 $84,000,000.

While the order in which these words—Estates, Trusts and Agencies—are used represents the order of importance of the component elements grouped under this heading in the Company's activities, nevertheless it must not be imagined that the work of the Company as executor or administrator of the estates of deceased persons under "testamentary trusts" overshadows the services rendered as agent or trustee under what are known as "living trusts."

Growth of "Living Trusts."

One of the notable developments of our business in recent years has been the growth of these "living trusts." I think it is fair to say that the sharp readjustment in values which has taken place in many classes of investment during the past year and a half has tended to turn public attention toward the usefulness of a trust of this kind as an instrument in the conservation and management of property. It is an instrument capable of being adapted to meet the needs of the particular individual, and the arrangements under which the Company serves are therefore almost as varied as the circumstances and temperaments of the individuals involved. In many cases when the time arrives for the distribution of an estate the beneficiaries to whom the assets are to be distributed prefer to have our management of those assets continued, and in consequence the Company carries on as their agent. In others a trust is used as a convenient method of providing a source of income for children or other dependents.

Again there are many cases where business men realize the security obtainable by the creation of a trust fund which will be removed from the periodic attacks of speculative mania.

Arrangements of this kind are welcomed by the Company, not merely as a source in themselves of profit, but also because of the opportunity they afford to demonstrate the nature and quality of our services. The appointment of the Company as executor by someone who has little actual experience of its services must always be something of an act of faith and we must be properly mindful of the obligation this faith places on us. But it seems natural to hope that those who have let us serve them as agent or trustee should also name us executor in their wills, and I am happy to say that our experience has shown this hope to be quite justifiable.

The Work of the Stock Transfer Department.

The services rendered by the Stock Transfer Department to the companies for which it acts as transfer agent are being more widely recognized from year to year. In addition to the principal work of the Department, which is transferring shares, issuing certificates and keeping records, there are many other services which the companies concerned may use to advantage and there has been a marked tendency for them to employ us in various capacities in which our organization enables us to do efficiently and cheaply what would be more difficult and expensive if done by their own staffs.

I come now to a branch of our business which, like our transfer agencies, does not appear in the Balance Sheet. We act as trustee under bond issues amounting to hundreds of millions of dollars. There are various discretionary powers conferred upon us in connection with these trusts and a wide range of duties devolves upon us from time to time. We have also under our care receiverships and liquidations with the value of the assets running into large amounts, and in addition we are often consulted in a purely advisory capacity as to various business problems which arise in connection with the operation or reorganization of companies.

Important Receivership Completed.

Since our last Annual Meeting we have completed our task as Receiver and Manager of the business of Dominion Iron and Steel Company, Limited, and as Trustees for the First Mortgage bondholders and Consolidated bondholders of that Company—a task which occupied us for more than four years. During the Receivership the First Mortgage bonds, amounting to somewhat over $5,000,000, matured and were paid off in full in cash, and the Second Mortgage (Consolidated) bondholders received First Mortgage securities of a new and more comprehensive Company in exchange for their Second Mortgage bonds.

A Trust Company's Experience in Business Generally.

This steadily increasing part of our business is a natural result of our general business as fiduciaries. Whether we are acting as executor of a deceased person or trustee under a living trust or for bondholders or as receiver or liquidator, the fundamental problems remain the same. There is always the same necessity to turn the assets in our hands to the best possible account, to preserve and protect them when in danger, and to work out constructive plans for realizations or reorganizations, and at all times to understand fully the nature and extent of our powers and duties as fiduciary, whether it be under a will, a trust deed or an order of the court.

Furthermore, not only must we know about various kinds of business, but, whether as executor and trustee or otherwise, we frequently have to step in and actually carry on different businesses from time to time, so that we develop in addition to general familiarity with various types of business the actual executive capacity as well.

In these days when assets requiring administration consist so largely of the securities of companies, and when there is the constant necessity of investing large sums of money on behalf of estates and clients, the experience gained in any one branch of our activities is of the greatest importance to us in the other branches, and as years go on the fields in which we have direct knowledge are expanding in a manner which should result in increased general efficiency for the transaction of all business entrusted to us.

In my remarks a year ago I said: "It seems unlikely that there could be any marked change in the direction of increased activity until our present wheat crop is sold and unless and until there are good prospects for a favorable crop in 1930." Since then the marketing of the 1929 crop has been substantially completed, a good crop gathered in 1930 and much of it marketed as well, but at prices so low that the cash received has been much less than was anticipated and the buying power of the farmers is considerably less than it was a year ago.

Corrective Tendencies at Work in General Business Situation.

Without attempting to assess the many conditions which affect the price of basic commodities, and particularly wheat, it may safely be said that as soon as a surplus of basic commodities arises corrective tendencies set themselves in motion. On the one hand the producers everywhere are forced to produce more cheaply, which means that the less efficient producer is driven out of production, and, on the other hand, owing to the lower prices consumption is increased. Both these tendencies are now at work.

I have every confidence that we in Canada are among the most efficient producers and can, therefore, successfully compete and continue to produce. Further, experience has shown repeatedly that corrective tendencies such as those indicated above often operate with surprising rapidity once they begin.

What is true of wheat is even truer with regard to the other basic commodities. While the market for newsprint and other wood products has been very disappointing the last year, there can be no doubt of the future of these industries, and as general conditions improve our national income from these sources will substantially appreciate.

The value of our mineral production, notwithstanding the great fall in the price of base metals, is not far below the 1929 peak, and there is every reason to expect this to increase steadily.

How soon we can expect substantial improvement in general business conditions no one can predict with certainty. It is undoubtedly a time of testing; but there is no reason for us in Canada to look on the future with any feelings but those of calm and steady confidence.

Sir Thomas White seconded the motion for the adoption of the report, which was carried unanimously.

National Trust Company
Limited

Balance Sheet, 31st December, 1930

ASSETS

Capital Account:			
Office Premises and Safe Deposit Vaults at Toronto, Montreal, Hamilton, Winnipeg, Saskatoon and Edmonton		$1,111,401.89	
Real Estate held for sale under mortgage foreclosure		212,180.07	
Rents due and accrued		2,849.75	
Mortgages:			
Principal	$3,073,197.06		
Interest due and accrued	133,256.72		
		3,206,453.78	
Loans on Bonds and Stocks		401,548.55	
Securities:			
Dominion of Canada and Provinces of Canada	$ 10,000.00		
Canadian Municipalities	35,862.70		
Other Bonds and Debentures	125,228.95		
Interest accrued	1,626.65		
		172,718.30	
Stocks		897,894.20	
Advances to Estates, Trusts and Agencies		155,436.63	
Cash in Banks		229,006.70	
Cash on Hand		16,096.87	
			$6,405,586.74
Guaranteed Trust Account:			
Mortgages:			
Principal	$12,474,831.28		
Interest due and accrued	456,557.83		
		$12,931,389.11	
Loans on Bonds and Stocks		2,465,400.42	
Securities:			
Dominion of Canada and Provinces of Canada	$1,756,017.78		
Canadian Municipalities and School District Debentures	1,166,532.20		
Other Bonds and Debentures	424,535.65		
Interest accrued	33,522.56		
		3,380,608.19	
Stocks		31,855.00	
Cash in Banks		1,399,039.20	
Cash on Hand		326,386.56	
			20,534,678.48
Estates, Trusts and Agency Account:			
Funds and Investments		$235,382,200.45	
			235,382,200.45
			$262,322,465.67

LIABILITIES

Capital Account:			
Capital Stock, subscribed and fully paid	$3,000,000.00		
Reserve Fund	3,000,000.00		
		$6,000,000.00	
Dividend No. 124, payable Jan. 2, 1931		105,000.00	
Mortgages in Process of Completion		6,440.19	
Reserve for Dominion Income War Tax		44,181.50	
Profit and Loss		249,965.05	
			$6,405,586.74
Guaranteed Trust Account:			
Trust Funds for Investment		$ 6,856,533.28	
Trust Deposits		13,678,145.20	
			20,534,678.48
Estates, Trusts and Agency Account:			
Estates, Trusts and Agencies		$235,226,763.82	
Due to Company for Advances to Estates, Trusts and Agencies		155,436.63	
			235,382,200.45
			$262,322,465.67

PROFIT AND LOSS ACCOUNT

For Year ending 31st December, 1930

Balance 31st December, 1929	$136,415.63
Net Profits for the year after deducting cost of Management, Directors' and Auditors' Fees, Contingencies, etc.	614,463.70
	$750,879.33
Appropriated as follows:	
Quarterly Dividends: Nos. 121 to 124, inclusive, at the rate of 14% per annum	$420,000.00
To provide for Dominion, Provincial and Municipal Taxes other than taxes on Real Estate	80,914.28
Balance Carried Forward	249,965.05
	$750,879.33

Board of Directors:

President: Sir Joseph Flavelle, Bart.
Vice-Presidents: E. R. Wood, W. E. Rundle, Herbert C. Cox

H. B. Walker — Leighton McCarthy, K.C.
J. H. Plummer, D.C.L. — Carl Riordon
Hon. F. H. Phippen, K.C. — George W. McLaughlin
H. J. Fuller — W. H. McWilliams
W. M. Birks — W. G. Morrow
E. M. Saunders — F. F. Dalley
Sir John Aird — Thomas C. Haslett, K.C.
James Ryrie — D'Arcy Martin, K.C.
Rt. Hon. Sir Thomas White, K.C.M.G. — C. S. Wilcox
Harrington E. Walker — Walter Molson
Miller Lash, K.C. — Lt.-Col. William Leggat, M.C.
A. McT. Campbell — James A. Richardson
George W. Allan, K.C. — J. A. McLeod
Edward FitzGerald — G. A. Morrow
G. H. Levy, K.C.
A. N. Mitchell

DIVIDEND NOTICES

Canadian Hydro-Electric Corporation Limited

Notice of Dividend on 6% Cumulative First Preferred Stock

Ottawa, Canada, January 29th, 1931.

The Board of Directors has declared a quarterly dividend of 1½% ($1.50 a share) on the shares of 6% Cumulative First Preferred Stock of the Corporation payable in cash March 1st, 1931, to holders of record of such stock at the close of business February 2nd, 1931.

Cheques will be mailed. Stock transfer books will not close.

J. R. BLAKE, Secretary.

THE CANADIAN BANK OF COMMERCE

Dividend No. 176

Notice is hereby given that a dividend of Three per cent on the paid-up capital stock of this Bank has been declared for the quarter ending 28th February, 1931, and that the same will be payable at the Bank and its Branches on and after Monday, 2nd March next, to shareholders of record at the close of business on the 31st day of January, 1931. The Transfer Books will not be closed.

By Order of the Board.

S. H. LOGAN, General Manager.

Toronto, 16th January, 1931.

AGNEW-SURPASS SHOE STORES LIMITED

NOTICE

Preference Dividend No. 12

A dividend of 1¾% for the three months ending March 31st, 1931, has been declared on all the issued Preference shares of the Company, payable April 1st, 1931, to shareholders of record as of the close of business, March 16th, 1931.

By Order of the Board.

K. R. GILLELAN, Secretary.

January 28th, 1931.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent., upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after MONDAY, the SECOND day of MARCH next, to Shareholders of record at close of business on the 31st January, 1931.

By order of the Board,

W. A. BOG, General Manager. JACKSON DODDS, General Manager.

Montreal, 20th January, 1931.

RELIANCE GRAIN COMPANY LIMITED

Preference Dividend No. 13

Notice is hereby given that a dividend for the quarter ending February 28th, 1931, at the rate of 6½% per annum, will be paid on March 14th, 1931, to preference shareholders of record at the close of business on February 28th, 1931.

By order of the Board.

A. W. GIBB, Secretary.

Dated at Winnipeg, January 13th, 1931.

LOBLAW GROCETERIAS CO. LIMITED

Notice is hereby given that quarterly dividends of 20 cents per share on the Class "A" shares and 20 cents per share on the Class "B" shares of the company have been declared for the quarter ending February 28th, 1931, payable on March 2nd, 1931, to shareholders of record at the close of business on February 12th, 1931. The transfer books will not be closed.

By order of the Board.

D. URQUHART, Secretary.

Toronto, January 30, 1931.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

East Kootenay Power Co. Limited

Dividend No. 27

A DIVIDEND of One and three-quarters per cent. (1¾%) being at the rate of 7% per annum on the 7% CUMULATIVE PREFERRED STOCK of EAST KOOTENAY POWER COMPANY, LIMITED has been declared for the quarter ending February 28th, 1931, payable March 16th, 1931, to shareholders of record February 28th, 1931.

By order of the Board.

L. C. HASKELL, Secretary.

January 23rd, 1931.

McCOLL-FRONTENAC OIL COMPANY LIMITED

Common Stock Dividend No. 6

Notice is hereby given that a Dividend of 15 Cents per share, being at the rate of 60 Cents per share per annum, has been declared on the no par value Common Stock of McColl-Frontenac Oil Company, Limited, for the quarter ending February 15th, 1931, payable March 14th, 1931, to Shareholders of record at the close of business on February 14th, 1931.

By Order of the Board,

FRED HUNT, Secretary.

January 29th, 1931.

The Royal Bank of Canada

DIVIDEND NO. 174.

NOTICE is hereby given that a dividend of three per cent. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Monday, the second day of March next, to shareholders of record at the close of business on the 31st day of January.

By order of the Board.

M. W. WILSON, General Manager.

MONTREAL, Que., January 13, 1931.

Bennett-Pacaud Gets Option On Kekeko Gold Syndicate

From Our Own Correspondent

ROUYN.—The Bennett-Pacaud has secured an option on the Kekeko Gold Syndicate property, adjacent to the Granada-Rouyn mine in Quebec. The Kekeko is separated from the Granada by one claim.

Official information to The Financial Post is to the effect that the Kekeko group is to receive $45,000 together with 10 per cent of the capital stock of a subsidiary company to be formed by the Bennett-Pacaud. The deal calls for the immediate commencement of work. A mining plant is being installed and the purchasers have agreed to spend a minimum of $1,000 per month on development. Expenditures will, however, probably exceed $1,000 per month.

The veins disclosed on the Kekeko are in close proximity to the porphyry. The porphyry has been traced across the property. The veins are of the same character as the Granada veins and are believed to be continuations. Geological conditions are identical.

In view of the results obtaining on the neighboring Granada, the programme of underground development, to be started at once, will be followed with much interest.

OPPOSITION GROUP DEFENDS ITS RIGHT TO MARKET GRAIN

Bitter Battle Brews as Compulsory Pool is Mooted

From Our Own Correspondent

REGINA.—A farmers' association opposing the project for compulsory pooling of all grain in the province is now actively at work. It was formed in Regina on January 26, and at once began an appeal for membership and funds, and it is now advertising in different papers. Its declaration of principle states that:

"This organization, known as the Association Opposing Compulsory Pool, is a voluntary association of Saskatchewan farmers for the purpose of vindicating, guarding and maintaining the full measure of right guaranteed to us under British law. To this end we propose:

"1. To resist by every lawful means any movement which would deny to citizens of this province the right of dealing in and disposing of the products of their labor.

"2. To resist the proposal that all farmers growing grain in the Province of Saskatchewan are to be compelled to turn over their grain to be sold through a compulsory pool."

Try to Enrol Farmers

Before the organization was formally established, the members of the group called upon Premier Anderson, and presented by way of questions, a series of objections to the proposals being made for a compulsory pool.

Many farmers have already enrolled, and the headquarters of the organization are getting in touch with farmers all over the province who are prepared to fight against the compulsory pool idea.

One difficulty the new organization has to face is the fact that up until a few weeks ago no one was taking the compulsion proposals seriously. The propaganda organization working for it confined its efforts, not to working up public sentiment, but to bringing pressure to bear on the legislature. Meetings were held at a considerable number of points, but discussion of the project stopped as soon as a resolution in favor of taking a ballot on the subject was secured. Canvassers would persuade a certain number of farmers to write letters or to sign telegrams addressed to members of the legislature, and would then pass on to the next town. At many points from which meetings were reported neither business men in the town nor surrounding farmers had any idea either that meetings were being or had been held until they read reports of them published in the city papers.

Pool Gets in First

Owing to their early start and close attention to a mapped out plan of procedure, the wheat pool appears to have won the first round in the fight, that relating to procedure. A plan has been arranged, and agreed to by Premier Anderson by which a resolution in favor of a ballot on a compulsory pool is to be introduced into the legislature by two private members. The resolution is to avoid any matters of detail, and simply recite that a large number of farmers wish to have a vote taken upon a hundred per cent pool (the word compulsion is to be avoided, and that it is desirable for such a vote to be taken). If and when this resolution carries, a bill will then be introduced for the creation of a compulsory pool to go into effect only if the vote in the country is in favor of it. By this means it is expected that discussion as to the desirability of a compulsory pool, or publication of the details of the plan can be avoided for a time, the initial discussion being confined merely to the question as to whether or not farmers should be allowed to express an opinion on the subject. Once the legislature is committed to taking a vote of farmers, the bill itself will make its appearance.

Make It Easy for M. P. P.'s

Opponents of the scheme were hoping for the reverse procedure, that is for the legislature to have a chance to discuss the principle of the proposals first. On this they have been outmanoeuvred, or rather taken by surprise, for those steering the compulsion fight had their plans made and accepted before the others realized what was afoot. The object is to make it as easy as possible for the members of the legislature to avoid accepting responsibility for what is done.

One curious feature of the situation is the silence that is being preserved as to the results of the province's wheat pool guarantee last year. Since all of the 1929 crop has not yet been sold by the pool the banks are not yet entitled to call upon the government for settlement of an amount which for Saskatchewan will probably be from fifteen to twenty million dollars, and apparently the government does not intend to allow the matter to be discussed at this session.

No Information Given

Compulsion opponents demanded of the government information as to present pool finance, as to how the proposed pool would be financed, and whether or not it would be guaranteed by the government. The wheat pool, in a published manifesto, replied that it had furnished its members with its annual report, that there should be no difficulty in financing, and that they had not asked the government for any guarantees. The fact that the finances of the government are already heavily involved, that the present pool for practically a year has been carried on only by virtue of government guarantees are all ignored.

Members of the legislature are so resolutely silent as to their intentions and opinions that it is difficult to say yet whether or not there will be a real fight in the House. The latest report is that the Liberal opposition have refused to fall in with the plan by which the compulsion proposals were to be sponsored from their side of the House as well as from the government side, thus letting the government carry the responsibility of whatever legislation is introduced.

There is enough vigor in the new anti-compulsion organization, and there is enough determination in the pool drive to insure that if the proposals pass the legislature there will be a real battle in the country.

Milk Production off in 1929

The total milk production in Canada in 1929 is estimated by the Dominion Bureau of Statistics at 14,349,023,000 pounds, as compared with 14,512,898,000 pounds in 1928. The number of cows milked in 1929 was 3,193,849 as compared with 3,226,424 in 1928. Ontario and Quebec combined furnished about two-thirds of the total, the former supplying 5,357,100,000 pounds and the latter 4,304,500,000 pounds.

Twin City Common Stock Earns $4.32 Per Share

Reassessment of Company's Property Improves Showing for Year — 1929 Earnings $4.75

Report of Twin City Rapid Transit Co. and subsidiaries for 1930 shows net income of $1,159,754 after charges and taxes, equivalent to $4.32 a share on 220,000 common shares, after dividends on 7 per cent preferred stock. In 1929 comparable earnings were $1,255,878 or $4.75 a share.

CONSOLIDATED INCOME ACCOUNT

	1930	1929	1928	1927
Gross revenue	$12,324,321	$13,487,976	$13,005,353	$13,425,643
Net aft. tax.	2,253,857	2,355,619	1,955,952	2,210,878
Other income	138,465	121,977	99,281	63,930
Total income	$2,392,322	$2,477,596	$2,055,233	$2,274,808
Interest, etc.	1,232,568	1,221,718	1,221,644	1,002,208
Net income	$1,159,754	$1,255,878	$833,589	$1,272,600
Preferred dividends	210,000	210,000	210,000	210,000
Common dividends	880,000	880,000	440,000	880,000
Surplus	$69,754	$165,878	$183,589	$182,600

Net profits for the first nine months of the year were at the rate of $4 per annum, but the success of the company in inducing the State Tax Commission to assess the company's property on the basis of the market value of the company's common stock will save the company about $300,000 a year. The $2 dividends now payable in scrip, are believed to have been brought appreciably nearer to a cash basis by the change in valuation for the purpose.

The company's balance sheet shows road and equipment valued at $60,895,715 against which there is a funded debt of $22,049,000 and reserves of $15,495,235. The company has a trust fund of $440,000 for the purpose of meeting the $2 dividend on common when the scrip given matures. Other investments total $1,957,930.

Current assets include cash of $402,282, receivables of $108,611, materials and supplies of $814,784, or $1,325,677 in all. Current liabilities include accounts and wages payable $53,345, accrued interest $188,307 and taxes of $811,384, or $1,053,036. This leaves working capital of $272,641 as compared with $20,129 in 1929 and $95,689 in 1928. The increase appears to be a direct result of withholding cash payments of common dividends and savings in taxes.

Rich New Zealand Market Turns Away from Canada Following Butter Impost

That Canada has virtually cut off one of her best customers by her action in raising New Zealand butter duty to 8 cents a pound, is the opinion expressed to The Financial Post this week by a representative of a leading Canadian export house who has just returned from an extensive tour of that dominion. Canada's exports to New Zealand have fallen off drastically in recent months, despite the fact that the country has enjoyed comparatively good business during the past year, and should have proved one of our best customers in 1930.

New Zealanders, it was pointed out to The Post, are for the most part unfamiliar with actual dairying conditions in Canada and as a result British manufacturers and their representatives have capitalized to the fullest extent the rather peremptory action of the Canadian Government and have been making the most of this opportunity to take for themselves a trade which formerly went to Canada.

Australia is Favored

What New Zealand resents perhaps even more than the imposition of an eight cent duty, is the fact that Canada has not even placed her on the same basis as Australia but allow the Australian product to be imported into Canada at the present time in preference to the New Zealand product. The Australian duty on butter is still only one cent a pound to which is added a 50 per cent dumping duty which brings the total duty on Australian butter up to between 5½ and 6 cents as against 8 cents on New Zealand butter. New Zealanders point out that their country has always extended a wide preference to Canada and has looked up to this Dominion as somewhat of a big sister, whereas Canada has only had preference in a selected list of Australian imports.

Another unfortunate effect of the raising of the duty in Canada, and one which is not generally known here, is that the increasing of the duty to four cents a pound by the Mackenzie King government in the spring of 1930, came just a few days before the question of extending a preference on Canadian timber, was to be discussed by the New Zealand parliament. The raising of the duty by Canada at that particular time is said to have destroyed immediately, any chances of a favorable revision of the tariff and set at nought the excellent and painstaking efforts of the Canadian lumber delegation which visited Australia and New Zealand at considerable expense a year or so ago.

Definite Gesture Needed

What is needed now, according to this exporter, is a definite gesture on the part of the Canadian Goverment which will indicate our willingness to do business with New Zealand and to renew on a reasonable basis the trade relations which had developed to such a considerable degree until a few months ago.

The following table shows details of Canada's trade with New Zealand in leading items for the fiscal years ending March 31, 1930, and 1929 respectively:

Canadian Trade With New Zealand (Fiscal Years Ending March 30)

	1930 $	1929 $
Leading Imports:		
Cattle hides & skins, raw	125,893	336,809
Beef, fresh	168,669	140,755
Butter	13,620,125	8,685,257
Sausage casings	1,326,817	1,919,900
Wool, raw	612,724	1,168,735
Leading Exports		
Wheat	219,391	87,097
Wheat flour	391,840	453,447
Rubber mfrs.	3,631,284	3,848,397
Fish, canned	633,231	560,292
Socks and stockings	565,500	325,874
Wood, unmfd.	476,530	425,460
Paper, printing	1,456,611	1,424,524
Paper, wrapping	233,496	210,435
Iron bars & rods	375,736	379,688
Iron pipe & tubing	295,903	300,251
Wire, iron	447,724	470,295
Farm implements & machinery	307,553	268,350
Other machinery	251,424	208,115
Automobiles	5,506,791	4,787,504
Automobile parts	441,558	368,473
Electric apparatus	764,076	677,503
Total Trade With Canada		
Imports	16,282,719	12,771,194
Exports	19,166,488	17,357,763

OTTAWA TRAMS EARNINGS LOWER FOR LAST YEAR

Omission of Dividends, Reduced Expenses, Improve Financial Statement

From Our Own Correspondent

MONTREAL.—Earnings of Ottawa Electric Railway Co. showed a decrease in 1930 as compared with the preceding year, according to the annual report presented to the shareholders. Although big reductions were made in expenses, net excess of revenue over expenses in 1930, after paying bond interest, was $91,000, or $63,000 less than in 1929. As a result dividends on capital stocks cannot be resumed.

The annual financial statement revealed surplus earned from January 1, 1928 to December 31, 1930, at $394,911.

Net cost of capital additions in the year was $40,063.

Subsidiary Reorganized

There are few changes in the balance sheet. Investment in the bonds of operating subsidiary, Ottawa Electric Railway, has been reduced from $2,864,600 to $2,814,700 through the operation of sinking fund. Investment in the shares of Ottawa Electric has been increased from $5,581,500, to $5,607,000, the parent company now owning 35,047 shares, compared with 34,884 a year ago. The parent company now owns all but 150 shares of Ottawa Electric.

Sinking fund has reduced Ottawa Traction funded debt outstanding from $2,860,000 to $2,807,000.

Through a reorganization of the capital stock of operating company, a reduction in the par value from $100 to no par value, the stated capital is reduced from $3,519,700, to $1,377,899. The earned surplus is shown at $334,911, compared with $243,254 a year ago.

Cash position is improved. Current assets a year ago totalled $217,068, against which there were current liabilities of $362,766, the deficit in working capital being $145,698. Current assets now amount to $272,592, and current liabilities are $165,885, leaving a working capital of $106,707.

No income and surplus account is published by Ottawa Trams, the whole of its revenue being derived from dividends of Ottawa Electric, which have been omitted since 1927. The following comparative income statement is for the Ottawa Electric Railway:

INCOME AND SURPLUS ACCOUNT
Year Ended Dec. 31

	1930 $	1929 $
Gross earnings	1,764,165	1,887,124
Less oper. expense	1,234,658	1,281,090
	529,507	606,034
Less depreciation	266,171	255,848
Prov. for income tax	8,863	13,405
Net earnings	254,473	336,781
Less: Bond & other int.	157,817	174,243
Amortiz. of bond disc. and exp.	5,534	5,820
Other financial chgs.	......	2,527
Surplus for year	91,122	154,191
Add surp. for prev. year	243,254	89,063
Adjustments	535	......
Balance carried forward	334,911	243,254

PETROLEUM INDUSTRY MADE BIG GAIN IN 1929

Production and Refining Divisions Increased Output

Canada's production of crude petroleum in 1929 reached a new high record of 1,117,368 bbls. valued at $3,731,764 as compared with the 1928 total of 624,184 bbls., valued at $2,035,300. The Albertan fields produced 988,675 bbls., while Ontario supplied 121,194 bbls. and New Brunswick, 7,499 bbls.

The Turner Valley field accounted for 971,821 bbls. of Alberta's total while 14,093 bbls. came from the Wainwright-Ribstone field and 2,761 bbls. came from the Red Coulee and Skiff fields. There were 54 wells in operation at the close of the year with drilling in progress on 108 wells in addition. The total footage of drilling was 312,251 ft. but an additional 16,200 ft. of drilling was done in testing structure. During 1929 there were 24 new wells drilled into production in Alberta.

Unfavorable weather conditions caused Ontario's output to decline to the lowest point on record. New Brunswick's production was obtained from the Stoney Creek field.

The capital employed by the industry in operating and drilling oil wells amounted to $54,526,398 showing an increase of 75 per cent over capital employed in 1928. The number of firms increased from 190 to 231 with an attendant increase in employment to 2,221 men who received $3,748,689 in salaries and wages as compared with 1,118 men and $1,916,625 in salaries and wages in 1928.

In addition to production of crude petroleum there were 15 plants engaged in refining of oils for gasoline, kerosene, lubricating oils, waxes and petroleum coke. These plants treated 37,300,000 gallons of oil from Canadian wells and 1,035,000,000 gallons of imported oils from United States, Peru and Colombia. Gasoline production amounted to 436,600,000 gallons including 132,600,000 gallons made by the cracking process. Sales of fuel and gas oils amounted to 387,000,000 gallons while refiners used 61,600,000 gallons for fuel purposes. There were also 10 plants engaged in compounding lubricating oils.

The statistics of the petroleum refining industry for 1928 and 1929 are as follows:

	1929	1929
No. of plants	25	25
Capital employed	$56,531,614	$71,260,459
No. employed	4,319	4,978
Salaries & wages	$6,983,580	$8,153,625
Sales value of prod.	$83,122,172	$99,408,314

SHARP SHRINKAGE IN NET EARNINGS OF CAT. MACARONI

Adverse Balance of $70,655 Brought Forward Into Current Year

From Our Own Correspondent

MONTREAL.—Net earnings of Catelli Macaroni Products Corp. for the twelve months ended November 29, 1930, amounted to $88,079, as compared with $301,638 in the previous fifteen months. After provision for depreciation, bad and doubtful debts and a reserve for flour commitments, there remained a deficit of $15,675.

During the year dividends totalling $90,000 were paid with the result that the net deficit for the period was $105,675. From this was deducted the previous surplus of $35,020, leaving a debit balance of $70,655 brought forward into the current year.

Profit and Loss Accounts

Following is a comparison of profit and loss accounts for the last two fiscal periods:

	1930 $	1929‡ $
Net etrnings	88,079	301,638
Less: Depreciation	90,000	113,896
Res. for bad debts	6,589	......
Res. for flour	7,165	......
Net profit	*15,675	187,742
Less: Dividends	90,000	150,000
Surplus for year	*105,675	37,742
Previous surplus†	35,020	
Total deficit	70,655	

†Adjusted.
*Deficit.
‡Fifteen months.

Adverse Wheat Market

The contraction in earnings is attributed to the rapid decline in the wheat market which not only adversely affected earnings but also created a heavy loss on raw and finished stock on hand. Further, heavy advertising expenditures on account of new specialties introduced were charged to profit and loss.

Balance sheet position has been maintained. Working capital is lower at $294,180 as compared with $386,128 in the previous year, but ratio between current assets and current liabilities stands at better than 6 to 1 as against 4 to 1 in 1929.

Call Loans Eliminated

In assets, cash is about $5,000 lower at $10,872 while accounts receivable, less reserves, total $136,666 as compared with $206,484. The company has no call loans outstanding. At the end of the previous year these amounted to $15,000. Inventories are lower at $185,030 as opposed to $259,102 and investment securities at cost are valued at $2,770, an increase of $270.

Fixed asets are carried at $1,567,899, an increase of about $10,000, and deferred debits are about $5,000 higher at $29,619. Goodwill is valued at $143,275 as compared with $133,083. Of this increase, $8,500 was paid for goodwill in connection with the purchase of an already existing macaroni company in Vancouver.

Accounts Payable Decline

In liabilities, accounts payable have dropped from $96,113 to $55,303. Dividends payable total $225 as compared with $30,005, reflecting omission of dividend payments announced in November. A reserve for flour commitments of $7,164 has been set up, while the reserve for depreciation has been increased from $113,042, to $141,960. The difference of $43,000 between the price paid for a St. Boniface plant and the price at which the unit was sold has been charged entirely to depreciation account.

Capital structure remains unchanged. A deficit of $70,655 is brought forward into the current year as compared with a previous surplus of $37,742.

In his remarks to shareholders, Aime Geoffrion, president of the company, states that all future commitments have been taken care of by profit and loss account and the figures at which inventories were taken were very conservative. In commenting on the liquid position of the company he remarked that raw materials are presently bought from day to day.

Business Briefs

"World Supremacy of American agriculture is undoubtedly passing," says Standard Statistics. However, small mixed farming should continue to find its place in the scheme of living. With aggregate income from agriculture accounting for only 10 per cent of total national income, recovery in general trade should be less dependent upon agricultural conditions than ever before. Present evidence suggests that no marked or sustained appreciation in farm prices is probable."

Car Loadings increased by 1.5 per cent to 47,613 during the week ended January 24 as compared with the previous week, continuing the gain made since the first of 1931. Merchandise in less than carload lots, ore, pulpwood, lumber, coal and grain increased while miscellaneous shipments and live stock were down. In the west, ore, and grain were the only classes to show increases while in the east coal gained 24 per cent.

Sask. Paying Off Series "A" Shares Of Sask. Co-op.

The Saskatchewan Provincial government is redeeming the Series "A" $10 par value shares of Saskatchewan Co-operative Creameries.

The total outstanding shares amounted to 10,800 shares of which J. A. Caulder, president of Dairy Corp. of Canada, had control. Mr. Caulder has recently been paid off at $9.41 a share, thus giving the Government control. It is understood to be the government's intention to pay off all other shareholders at the same price if they want their money. Mr. Caulder, it is stated, asked for this assurance before accepting settlement in his own account.

Since the Class "A" shares have been bought at $9.41 a share the holders of $10 par value preferred stock will expect the government to pay at least par for their shares. The matter is likely to be dealt with at the present session of the Saskatchewan Legislature.

"I think," said Mr. Caulder, when asked as to the situation, "it is the intention of the present government to deal fairly and honorably with all of the former Caulder shareholders, because it was the merging of the two companies and the bringing in of the Caulder interests that saved a disaster for the Co-operative Creameries in 1927."

TORONTO COMMISSION ISSUES GOOD REPORT

Spent $62,248 in Securing 30 New Industries During 1930

New industries to the number of 30 located in the Toronto area during 1930, according to the annual report of the Toronto Industrial Commission. In the great majority of cases these new firms represented parent companies of large resources. Six located in industrial suburbs of the city while 24 located within the city limits. In nine months of 1929, the commission was responsible for 14 new industrial concerns of outside origin.

The commission began operations in March, 1929, with the object of bringing new industries to Toronto and surrounding district, to aid existing industries and to give publicity to the advantages of the area for business and manufacturing purposes. In a number of cases the new industries secured by the commission have already shown expansion. The commission has the names of 160 firms that definitely intend to locate plants in Canada and another 184 firms are future prospects.

The financial statement of the commission as at December 31, 1930, shows revenue of $63,500 from subscriptions and $2,356 from interest for a total revenue of $65,856. Expenses totalled $61,290 and a further $958 was written off office furniture and equipment leaving $3,608 to be transferred to surplus. Chief expenditures include salaries of $32,429; advertising and publicity, $7,197; expenses at exhibitions, $4,415; travelling, $3,486; general expenses, $3,950; rent, $3,027; office expense, $3,137; postage, telephone and telegraph, $3,344.

The commission had a balance in surplus account at the end of the year of $8,557 after provision for $5,500 for publication of a new book "Toronto and the Toronto Area" that has since appeared. Total assets amount to $37,922 of which $34.368 is current and chiefly out on call. Office furniture and equipment valued at $5,098 has been written off to $1; subscriptions receivable amount to $3,500 and unexpired insurance is $54. In addition to surplus of $8,557, the commission has a reserve for future operations of $22,500. Current liabilities amount to $1,115 and subscription paid in advance is $250.

NOTICES

Ex-Air Force gunnery officer has an entirely new invention in aerial machine guns, 2,000 rounds per minute. Would like to meet someone to promote same, or would sell full size working model outright. Box 253, The Financial Post, Toronto.

TREASURER or COMPTROLLER

seeks new Connection

Thoroughly experienced and successful financial executive desires new connection. Broad experience in both general and cost accounting control systems. Capable organizer, can produce results, introduce economies and establish rigid control over operations. Presently connected as an official of large successful company. Negotiations solicited. Box 248, The Financial Post, Toronto.

The Annual General Meeting of the Shareholders of

DAVID & FRERE, LIMITEE

will be held in the offices of the Company, 1930 Champlain Street, Montreal, on Monday, February 9th, 1931, at the hour of eleven o'clock in the forenoon, for the purpose of receiving the report of the Directors covering the operations of the Company for the period ending December 31st, 1930, the approval of the acts of the Directors, the election of the Directors, and any other business which may be brought before the Meeting.

L. R. PHILIE, Secretary-Treasurer.

Montreal, February 2nd, 1931.

$1,176,441.49 CITY OF OTTAWA ONTARIO

DEBENTURES FOR SALE

SEALED TENDERS addressed to the "Secretary, The Board of Control, City Hall, Ottawa," and marked "Tender for Debentures" will be received up to 12 noon on Thursday, 12th February, 1931, for the purchase of Debentures of the following amounts and terms:—

$181,845.62, 10 years; $421,595.54, 15 years; $523,000.33, 20 years; $50,000.00, 30 years; Total, $1,176,441.49.

All Debentures bear interest at the rate of 4½%, and are issued on the instalment plan. That is to say, each issue is repaid in such annual amounts that the aggregate amount paid for principal and interest in any year is equal as nearly as may be to the amount so payable for principal and interest in each of the other years. Each Debenture is, however, for a definite amount payable at the end of some year with interest coupons attached payable semi-annually. Interest is payable 1st January and 1st July.

The Debentures are an obligation of the City at large, are issued in coupon form, with provision for registration of principal, bear date 1st July, 1930, and are in denominations of $1,000,000.00; $500.00; and such odd amounts as are necessary.

Debentures will be delivered subject to the legal opinion of Messrs. Long & Daly, Toronto, on this issue, a certificate of which will be printed on each Debenture. The City is paying for the legal opinion.

The Debentures are payable both in the United States and Canada; in Canada at the branches of the Bank of Nova Scotia in Ottawa, Toronto, and Montreal, and in the United States at the Agency of the Bank of Nova Scotia in the City of New York.

All tenders must be on the official form. Tender forms are ready for delivery.

Accrued interest from the 1st July, 1930, must be paid in addition to the price tendered.

Tenders specifying for Debentures other than those herein described, or containing conditions varying from the above, will not be considered.

Delivery of the Debentures will be made in Ottawa upon payment of the purchase money. A certified cheque payabe to the City Treasurer for the sum of $10,000.00 must accompany the tender.

The highest or any tender not necessarily accepted.

Full particulars, together with further conditions and official forms of tender, can be obtained on application to the City Treasurer, City Hall, Ottawa, Ontario.

J. J. ALLEN, Mayor.

SIMON AND SONS COVERS DIVIDEND COMMON STOCK

Earns Requirements by Slim Margin of $309

From Our Own Correspondent

MONTREAL.—Net earnings of H. Simon & Sons in 1930 were $136,017 as compared with $219,260 in 1929. After provision for depreciation, reserve for bad debts, and preferred dividends, there remained a sum equal to $2.51 a share on the common stock as compared with $4.56 a share in 1929. During 1930 dividends were paid at the rate of $2.50 a share, and $65,500 of preferred stock was redeemed.

After deduction of common dividends there remained a surplus for the year of $309. To this was added a previous surplus of $210,876 and a reserve on account of preferred stock sinking fund amounting to $19,054, since preferred stock has been purchased in advance of requirements. A balance of $230,239 is brought forward into the current year as compared with $210,876 in the preceding period.

Profit and Loss Accounts

Following is a comparison of profit and loss accounts for the past two years:

	1930 $	1929 $
†Net earnings	136,017	219,260
Less: Depreciation	10,915	12,937
Res. for bad debts	8,143	5,051
Net profits	116,959	201,272
Less: Preferred divs.	41,525	49,092
Sinking fund res.	*.....	15,174
Common divs.	75,125	45,075
Surplus for year	309	91,931
Add: Prev. surplus	210,876	118,945
Sinking fund res.	19,054	......
Bal. forward	230,239	210,876

*Reserve of $7,586 transferred to surplus account; preferred stock purchased ahead of requirements.
†After income tax.

Cash Position Sound

Cash position is satisfactory. The balance sheet shows current assets at $942,889 and current liabilities of $151,549, leaving a net working capital of $791,340. This is lower by some $77,000 as compared with 1929, but the ratio between current assets and current liabilities has been maintained at better than 6 to 1.

Cash is higher by about $2,000 at $6,719 and accounts receivable, less reserve, are carried at $409,066 as against $451,103. Inventories at $371,316 are lower by $25,000.

Investments Slightly Lower

Dominion of Canada bonds, which amounted to $183,129 in the previous report, now total $155,786, a sum which, it is pointed out, is greater than total current liabilities. Deferred accounts, which appear for the first time and represent travellers' and other advances and sundry accounts receivable, total $11,450. Deferred charges are virtually unchanged at $7,514, while a part-paid investment in Montreal Light, Heat & Power is carried at $240 in the 1930 balance sheet.

Plant and equipment, less depreciation, are valued at $68,201, trucks and automobiles are carried at $2,750, both figures showing little change from the previous year. Goodwill and trademarks are still carried at $1.

Redeem Block of Preferred

In liabilities, accounts and bills payable including reserves for income tax, are lower at $148,156 as compared with $163,510. During the year $65,500 of 7 per cent preferred stock was redeemed leaving outstanding $563,000 as compared with $628,500 at the end of 1929. The 30,050 common shares of no par value are still carried at $88,261. Total assets are lower by $80,000 at $1,033,047.

In his remarks to shareholders, Arthur Simon, president of the company, commenting on the steady redemption of the preferred stock, stated that since its incorporation in 1928 preferred dividend requirements had been reduced from $70,000 to $39,410 a year. He pointed out that the increased cost of manufacturing due to rapid decline in cellophane, had affected earnings to a great extent, but that the method now in use was more economical than that originally tried out. Strict economies had been carried out and directors felt the company should continue to progress.

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Silverwood's Dairies First Statement Shows Company Among Leaders

The Gross Sales For Six Months Reach $4,370,277

PROFITS ARE $328,875

Covers Whole Annual Dividends in Preferred, Class "A" and Com. Stocks; Financing Soon

First certified consolidated financial statement of Silverwood's Dairies, Ltd., and 22 subsidiary companies located throughout the most populous sections of Ontario, shows this system to have attained in eight or nine years a prominent position among the four largest dairy companies of Canada.

On gross sales for the six months ending September 27, 1930, of $4,370,277, the company showed a net profit after depreciation and income tax of $328,875. This half year period included about 80 per cent of the company's large ice cream business for the complete year but the total depreciation of 10 per cent for a year on iceless cabinets has also been charged off in arriving at these figures for six months. It is estimated that the net profit for the entire year will be around $400,000.

CONSOLIDATED INCOME AND PROFIT AND LOSS STATEMENT

(For Six Months ended Sept. 27, 1930)

Sales incl. inter-company sales		$4,370,277
Less: Cost of materials $2,664,869		
Prod. wages and direct expenses	882,892	3,547,761
Gross profits		822,516
Iceless cabinet rentals and other revenue		53,597
Gross trading profit		876,113
Less: Adminis. and indirect exp.		360,312
		515,801
Amounts rec. under divid. guar.		60,000
Net profit (before depr. & inc. tax)		575,801
Prov. for depreciation		225,593
Net profit before inc. tax		350,208
Dom. inc. tax provision		21,333
Net profit		328,875
Surp. Apr. 5, 1930, incl. capital and appraisal surpluses		85,508
Available for dividends		414,383
Two quarterly divd. prefer.		116,438
Available for common		307,945
Two quar. divs. Class "A" and common		69,154
		238,791
Divs. to minority shareholders subsidiaries		80
		238,711
Less: Amount to reduce fixed assets to depreciate values as appraised at Sept. 27, 1930		39,670
Surp. car. to balance sheet		189,041
Earned on stocks 6 mos. ending Sept. 30, 1930:		
7% pref. (a)		$9.88 a share
Class "A" and com. (b)		1.29 a share

(a) Excluding $60,000 received under dividend guarantee earnings would be $8.08 on 33,269 shares of $100 par value 7 per cent preferred.

(b) Amount is calculated on 139,745 no par value Class "A" non-voting shares and 25,000 no par value voting common shares, or 164,745 shares in all. With amounts received under dividend guarantee excluded earnings would be 83 cents for half year on common stock which pays at rate of $1 per annum. Estimated earnings for year of $400,000 for all dividends would show on common about $1.01 a share.

Total Assets Are $5,840,959

Total assets of the company are shown at $5,840,959 after giving effect to the acquisition of Silverwood's Toronto Dairy, Toronto, Silverwood's Forest Produce Co., Forest, Silverwood's Guelph Dairy, Guelph and Silverwood's Oxford Dairy, Woodstock.

Fixed assets, appraised at replacement values by Sterling Appraisal Co., amount to $3,874,662 after deducting $1,096,432 for depreciation. Of this amount land accounts for $280,095, buildings for $1,633,426, machinery and equipment for $1,479,089, iceless cabinets for $865,728, trucks and automobiles for $22,698, containers and floating equipment for $217,958 and the balance for bottles in trade, horses, wagons and stable equipment and office, store and branch equipment.

Current liabilities of $907,060 incurrent liabilities $907,060. Cash represents $66,229, notes and accounts receivable are shown at $277,797 after deducting $54,298 as a reserve for bad debts, inventories including stores and supplies total $618,844 while cash surrender value of life insurance, mortgages receivable and sundry investments make up $70,515. There is also an amount of $65,635 due from associated companies, guaranteed by A. E. Silverwood and Silverwood's Securities and an item of $61,381 for prepaid expense.

Preferred Stock Equity High

Current liabilties of $907,060 include $39,560 for bank overdrafts, $295,750 for secured bank loans, $70,665 for notes payable (secured to the extent of $58,165), lien notes payable of $64,402, accounts payable of $323,589 (of which $47,294 are secured), accrued expense of $28,767, dividends payable of $76,658 and bond and mortgage interest accrued of $7,669.

In addition to the $907,060 there is an item of $48,867 for deferred rentals and accounts payable, $106,605 for deferred lien notes payable and $45,277 as a reserve for Dominion income tax, making a total of $200,749. Working capital is $126,324, not including the latter total among current liabilities and $52,791 when it is included and after making allowance for the assets of $61,381 and $65,635 shown as prepaid expense and due from associated companies respectively.

Other liabilities of the company include: mortgages payable of $199,500, bonds outstanding of $252,000 and an amount of $251,194 owing on purchase agreements. Minority shareholders interest in subsidiary companies is shown at $7,680.

Deducting these items leaves an amount of $4,022,777 of net assets on the balance sheet against $3,326,900 of 7 per cent preference shares and 139,745 non-voting Class "A" and 25,000 voting no par value common shares.

The auditors are Clarkson, Gordon, Dilworth, Guilfoyle and Nash. In preparing the audit it is understood that the accounts of every subsidiary were audited as well as of the parent company.

Seeking More Working Capital

The Financial Post understands that arrangements now being made will strengthen this working capital position. In this business, less surplus liquid assets are required than in most others because dairy companies' products are marketed daily, accounts collected weekly and farmers paid monthly as a rule.

The Financial Post understands from A. E. Silverwood, who built up the system of subsidiary companies operating under his name, that the company has no more stock for sale outside of re-sales for shareholders and that for a period of some years the main attention of the company will be concentrated on developing as much as possible each unit already acquired.

It is further reported that every subsidiary has shown an improvement in sales over the same period of the previous fiscal year except Windsor where sales fell off to some extent in sympathy with the general depression. Toronto. Hamilton and Peterborough. which in the early stages showed deficits, are now reported to be showing profits.

Subsidiary Companies Included

Silverwood's, Ltd., London; Silverwood's Storage, London; London Cold Storage Co., London; Silverwood's Brantford Dairy, Brantford; Brant Creameries, Brantford; Silverwood's Chatham Dairies, Chatham; Silverwood's Elmira Creameries, Elmira; Elmira Creamery Co., Elmira; Silverwood-Burke Dairy, Hamilton; Silverwood's Kitchener Dairy, Kitchener; Silverwood's Lucknow Creamery, Lucknow; Silverwood's St. Catharines Dairy, St. Catharines; Silverwood's Sarnia Dairy, Sarnia; St Clair Ice Cream Co, Sarnia; Silverwood's Windsor Dairy, Windsor; Silverwood's Woodstock Dairy, Woodstock, Silverwood's Stratford Dairy, Stratford; Silverwood's Peterborough Dairy, Peterborough;
(a) Silverwood's Toronto Dairy, Toronto;
(a) Silverwood's Forest Produce Co., Forest;
(a) Silverwood's Guelph Dairy, Guelph;
(a) Silverwood's Oxford Dairy, Woodstock.

Cable Merger Plan Is Making Headway

From Our Own Correspondent

MONTREAL. — Negotiations for bringing about a merger of Canada's overseas cables and wireless services have made progress, according to Sir Basil Blackett, chairman of the Imperial and International Communications Ltd., who is further quoted as saying that there is every hope that in due course satisfactory conclusions will be reached.

During his stay in Canada, Sir Basil was in touch with the Federal authorities, and the executives of the Canadian Pacific, Canadian National and Canadian Marconi companies. One concrete result of his visit was the concluding of arrangements for closer co-operation with the Canadian Pacific in developing the business of the Imperial cables across the Atlantic and Pacific oceans.

ACCEPTANCE CO. BUSINESS IN 1930 ON HIGHER SCALE

Earnings Exceed Previous Year's Figure of $2.18 a Share

From Our Own Correspondent

MONTREAL.—Industrial Acceptance Corp. will report a higher volume of business and an increase in net earnings in 1930. Though no figures are available as yet, official estimates made late in 1930 placed earnings around $3.25 a share on the "A" stock. In 1929 earnings were equal to $2.18 a share.

The company is engaged in financing purchases on the installment plan through the purchase of lien obligations created by the sale of various commodities. Its business has made strides in the past few years and in 1929 receivables purchased amounted to $11,788,170 as compared with $4,136,840 in the previous year. Gross income in 1929 was three times the figure of the previous year at $755,684, while net income totalled $202,010.

Indications are that all these figures were superseded in 1930. The past year has witnessed an expansion in nearly all divisions while the full effects of the company's acquisition of the Canadian Contract Purchase Co. has found reflection in last year's operations.

Purchased From C. G. E.

Purchase of the latter company from Canadian General Electric Co. last year marked an important step in the development of Industrial Acceptance Corp. The Contract Purchase Co. was organized by Canadian General Electric to finance all the installment paper resulting from the sale of its products and Industrial Acceptance now obtains the benefits of this business. Further the company made an agreement with Canadian General Electric whereby it extends its facilities direct to General Electric dealers and distributors throughout Canada.

Apart from this, however, Industrial Acceptance has a diversification of accounts. Some of these include General Steel Wares, Gurney Foundry, Canadian Fairbanks-Morse Co., Marmon Motor Co. and various other manufacturers. In each case money obligations of dealers and distributors of these concerns are purchased and the installment sales of their products are financed.

Dividend on Class "A"

Satisfactory earnings in 1930 found reflection in a dividend disbursement on the class "A" common stock, of which there are 60,000 shares of no par value outstanding. This quarterly disbursement, which was made at the rate of $1.20 annually, was paid January 21 to shareholders of December 15. Junior to the "A" shares there are 20,000 shares of "B" stock issued, but no dividend may be paid on this class of security until payments totalling $2 have been made in any one year on the "A" shares.

The company's senior obligations comprise $1,000,000 of 6 per cent ten year debentures which are convertible at any time into "A" stock on the basis of 30 "A" shares for each $1,000 debentures. At present this conversion privilege has no apparent value since the return on 30 shares of "A" stock totals $36 annually compared with debenture interest of $60 a year.

CANADIAN PACIFIC 1930 NET EARNINGS LOWER BY 11.3%

December Net Gained Sharply Over 1929 Figures

From Our Own Correspondent

MONTREAL.—Net earnings of the Canadian Pacific Railway in 1930 fell below those of 1929 by $4,895,885. Net earnings were $38,248,658 as compared with $43,144,543 in the previous year. Gross earnings were lower by $28,830,151 at $180,900,804.

December net reflected a further reduction in working expenses. Though gross earnings in that month were higher by $806,237 at $16,324,469 as compared with December, 1929, net earnings showed a gain of $1,008,251 at $4,161,519.

Working Costs Reduced

Cuts in working costs are indicated by the 1930 decline in gross earnings which was 13.2 per cent as compared with a drop of only 11.3 per cent in net earnings for the twelve month period.

In the early part of last year each month was marked by a decline in comparison with earnings of the same period in 1929. It was not until August, 1930, that the spell was broken. In that month, though gross earnings were lower by over $2,000,000 a wide cut in operating expenses enabled the company to show an increase of $388,000 in net earnings as compared with the August, 1929. This was the first monthly increase to be recorded since July, 1929. Further gains were made in September, November and December.

Lowest Net Since 1924

Total net earnings of $38,248,658 are the lowest to be recorded since 1924 when the figure stood at $37,277,241. The nearest to the figures just published was in 1927 when net earnings amounted to $39,515,571.

Special income which in 1929 amounted to $15,232,220 is expected to make up the deficiency between net earnings and dividend requirements which total $33,000,000. Fixed charges which were $16,149,003 in 1929 will be higher in 1930 due to the issuance of about $50,000,000 of securities at different times during the past year.

PACE QUICKENING AT ABITIBI CANYON ON POWER PROJECT

Steel Bridge and Tunnels Nearly Ready; Getting Ready For Pouring

Work at the Abitibi Canyon power development project of Ontario Power Service Corp., subsidiary of Abitibi Power & Paper, is every week assuming greater volume. On January 31 there were 1,540 men employed and those who witnessed the scene of primeval splendor last May would not recognize the place, not only because a construction town has arisen in the interval and these men are busy at all points of the canyon and the nearby hills where something has to be done to prepare for the $23,000,000 dam but because already the works resulting from the labor of these men and the factories that supply materials are transforming the face of nature.

The great double-track bridge being built on the site of the dam across the canyon by the Dominion Bridge Co. is nearly completed. The entrance to the bridge on either side of the canyon is supported by wooden trestles but for 450 feet the bridge will be an all-steel structure of nine steel panels. The ninth panel is nearly finished. Each panel is 50 feet long so that 400 feet is now ready and the remaining 50 feet will not lack completion long.

Form Work Has Begun

Form work on the west end of the main dam was begun on January 24. That is the camp side of the canyon and this is an indication that the contractor will be ready to pour concrete shortly after the bridge is completed, or probably at once. Another evidence of the speed being used on the job is that work on the up-stream coffer dam was begun on January 13. This will be used to deflect the water of the river into the de-watering tunnels which will take the river down below the lower coffer dam which will protect the work on the dam proper. This up-stream coffer dam will be built to a point about 10 feet above the expected surface of the river when it flows through the tunnels so as to provide a margin of safety against any excess flow of water. The work on these coffer dams had been announced as likely to start in the spring after the ice moved, but it starts earlier.

De-watering Tunnels Near End

It was also expected that the two de-watering tunnels would be completed in the spring. However, that job is also nearer its end than the schedule allowed for. The east tunnel of 950 feet had 900 feet done on January 30 with 754 feet full section completed. On the west tunnel, which is to be 1,050 feet long, there were completed on the same day 751 feet of which 514 feet was filled section. At the recent rate of progress a few weeks will find this work done.

Humberstone Shoe Is Earning Dividend

The Humberstone Shoe Co., which earned $3.51 a share in the year ending July 31, 1930, is reported to have been earning so far in the current fiscal year sufficient to justify a continuance of the annual dividend of $2 a share on the common stock.

The company has maintained a good earnings position ever since its reincorporation in 1926 under Dominion laws, and the prospects of the common have been enhanced as a result of the redemption of preferred stock at the end of 1928. In its plant at Humberstone, near Port Colborne, the company manufactures footwear in general but has specialized in a large way on children's sandals.

February Dividends Reach Low Total At $5,101,369

Dividend payments in February will total some $5,101,369 compared with $7,946,299 in February, 1930, and $5,056,962 in the corresponding month in 1929. The total of payments is always low in February and in addition there is the cumulative effect of dividends cut or passed during the past year. Bond interest payments will amount to some $13,853,186.

There have been announcements of dividends passed on preferred shares of four companies during the past few weeks while another has cut its dividend. Three of the companies, Massey-Harris, Cockshutt Plow and Waterloo Manufacturing Co. are engaged in the manufacture of farm implements while the others, Mercury Mills Ltd. and Monarch Knitting Co. are engaged in the textile business, chiefly woollen and silk goods. Both industries represented have been hard hit during the past two years.

Massey-Harris Passes Dividend

Massey-Harris Co. in passing the quarterly dividend on its 120,899 5 per cent preferred stock of $100 par value effects the greatest individual change in the list of dividend disbursements and retains $151,000 which would otherwise be paid out. The action follows the passing of the common dividend last September. Waterloo Manufacturing Co. has passed the quarterly dividend of 25 cents per share on its 81,840 no par value A shares while Cockshutt Plow Co. has reduced its quarterly payment from 37½ cents to 15 cents per share on the 288,600 shares outstanding.

Decreased business and substantial declines in the value of raw materials are given as the reason for passing the preferred dividend of Mercury Mills Ltd. in order to conserve working capital. The action affects 10,000 6 per cent preferred shares of $100 par value. The Monarch Knitting Co. has taken similar action with respect to its 7,500 shares of 7 per cent preferred stock of $100 par value.

The following record of dividend and bond interest payments has been compiled by The Financial Post. Dominion Bridge, Canadian Car & Foundry, Distillers-Seagram Corp., Hollinger Mines, International Nickel, Steel Co. of Canada, Simpsons, Ltd. and Teck-Hughes are among the companies making the major dividend disbursements. The list of payments is as follows:

SUMMARY OF PAYMENTS

Dividends	$ 5,101,369
Bond interest	13,853,186
Total	$18,954,555

DIVIDEND PAYMENTS

Company	Rate	Date	Amount
Acme Farmers Dairy, pfd.	$3.50s	10	$22,925
Beatty Bros. pfd.	1½q	1	18,750
Belding Cort. com.	1¾q	2	13,115
Blue Ribbon, pref.	81¼c.q	2	24,105
Brand. Hend. com.	½q	2	5,895
B.C. Pulp & Paper pfd.	1¾q	1	9,733
Calgary Power, pfd.	1½q	2	90,000
Can. Pr. & Pap. Invest. pfd.	1¼q	16	31,250
Can. Bronze	62½c.q	1	50,000
Do., pref.	1¾q	1	13,037
Canadian Car, c.	44c.q	28	160,952
Can. Converters	1¼q	16	21,668
Can. Dredge	75c.q	2	69,318
Do., pref.	1¾q	2	1,502
Can. Investors	25c.q	1	25,000
Canadian Oil, c.	25c.q	14	35,941
Cockshutt Plow	15c.q	1	43,290
Consolidated Press "A"	50c.q	2	25,000
Cons. Sand, pref.	$1.75q	16	19,296
Cosmos Imp. pfd.	1¾q	15	25,379
De Forest-Crosley	20c.q	1	27,833
Disher Steel, pfd. "A"	37½c.q	2	4,875
Distillers-Seagram	25c.q	15	375,001
Dodge Mfg. pref. "A"	50c.q	2	9,000
Dominion Bridge	90c.q	14	462,555
Dom.-Scottish Inv. pfd.	1¼q	1	37,500
Dominion Tar, pfd.	1⅝q	1	81,818
Eastern Dairies, c.	25c.q	2	18,524
Enamel & Heat. Prod.	25c.q	1	7,250
Federal Grain, pfd.	1⅝q	2	48,750
For. Pr. Secs. pfd.	1½q	16	75,000
Foundation Co.	25c.q	14	21,150
Frost Steel. 1st pfd.	1¾q	2	15,688
Do., "A" pref.	1¾q	2	8,750
Gen. St. Wares, pfd.	1¾q	2	78,750
Guelph Carpet	25c.q	1	8,750
Do., pref.	1⅝q	1	15,437
Hamilton Bridge, c.	50c.q	1	50,000
Do., pref.	1⅝q	1	36,562
Hollinger Mines	1%	25	246,000
Humberstone Shoe	50c.q	1	10,000
Imperial Bank	3q	1	210,000
Inter. Nickel, pfd.	1¾q	2	483,486
Inter. Utilities pfd.	$1.75	2	64,642
Langley's pref.	1¾q	15	10,500
MacKinnon Steel pfd.	1¾q	2	10,500
Med. Hat Green pfd.	1¾q	15	6,002
Mtge. Co. of N. S.	1½q	1	10,200
Ont. Equitable Life	3s	2	19,272
Ontario Steel	40c.q	16	20,635
Do., pref.	1¾q	16	6,304
Penmans	$1q	16	64,518
Do., pref.	1½q	2	16,125
Power Corp. c.	50c.q	20	222,938
Russell Motor	1¼q	2	10,000
Do., pref.	1¾q	2	21,000
Service Stn. Eq. pfd. "A"	1½q	2	22,425
Do., pref.	1½q	2	48,916
Simpson's, pref.	1⅝q	2	182,812
Do., Class "A"	50c.q	2	60,000
So. Canada Pr. c.	25c.q	16	100,000
St. Law. Flour, pref.	1¾q	2	10,062
Stand. Pav. & Mat.	50c.q	16	52,436
Do., pref.	$1.75	16	25,278
Steel of Can.	43¾q	2	201,250
Do., pref.	43¾c.q	2	113,684
Teck-Hughes	15c.q	2	718,070
Wood, Alex. & James, pfd.	1¾q	1	11,375
Western Steel Prod. pfd.	1⅝q	1	17,875
Weston, Geo., pfd.	1¾q	2	15,750
Total			$5,101,369
Cities Service	2½c.m	2	756,863

q—Quarterly.
m—Monthly.
s—Half-yearly.

BOND INTEREST DUE IN FEBRUARY

Company	Rate	Int. Date	Due	Amount
Anticosti Corp.	6½	15	1941	$187,313
Asile du Bon-Pasteur	5	1	Serial	12,500
Belanger, A.	6	1	Serial	18,000
Bishop Realty	7	1	1947	10,500
B.C. Elec. Rly. deb. stock	5	15	1944	93,362
Bloor St. G. Realty	7	15	1946	17,850
Canada Bread	6	1	1941	29,619
Canada Foundries	6	2	1942	11,505
Canada Machinery	6	1	1940	6,045
Can. P. & P. Inv. "A"	5	1	1958	62,500
Can. Steamships debs.	5	15	1943	85,232
Can. Vickers, "A"	6	1	1947	82,500
Consol. Inv. "A"	4½	15	1959	337,500
Cont. P. Prod.	6½	1	1943	18,720
Dis. Corp. of Can.	6	1	1942	3,750
Dom. Tel. Secs.	5½	2	1978	27,500
Donna. Pap. "A"	6	1	1948	138,000
Do., 1st mtge. "A"	5½	1	1948	188,430
Drum. St. Realty	6½	1	1942	20,312
Drumheller Coll.	7	1	1943	12,271
Dryden Paper	6	1	1949	45,000
Federal Grain "A"	6	1	1949	124,770
Georgetown C. Pap.	6½	1	1947	6,500
Holt Renfrew	6½	1	1937	16,368
Lake St. John Pr.	6½	1	1947	162,500
Do., mtg. deb. "A"	6½	1	1942	97,500
Lincoln Pulp	7½	1	1942	29,317
Low. St. Law. Pr.	7	1	1947	26,250
Do., 2nd mtg.	8	1	1932	14,000
Med. & Dental Bldg.	6	15	1944	30,000
Mex. L.H. & Pr.	5	1	1940	276,000
Mtl. Rl. & W. Term.	6½	1	1951	97,500
Mtl. Dry Docks	6	1	1948	19,845
Mt. View Apts.	7	1	1946	10,500
Nat. Grocers	6½	15	1932	50,683
Nat. Radiator	6½	1	1947	385,060
Price Bros.	6	1	1943	354,972
Restigouche Co.	5½	1	1948	52,250
Shawinigan "C"	5	1	1970	375,000
Starr Mfg.	6	1	1948	9,000
Stock Ex. Bldg.	6	1	1944	16,500
Suburb. Rap. T.	5	1	1938	12,500
Walmsley. Chas.	6	1	1943	25,815
Wayagamack	6	1	1951	118,470
Wolthausen Hat	7	1	1943	5,845
Wood, A. & J.	6	1	1944	10,110
Corporation bonds				3,735,659
Provincial				*3,820,000
Municipal				*5,285,027
Dom. Loan (1926)	4½	1	1946	1,012,500
				$13,853,186

*Figure is determined by dividing by twelve the ultimate total interest payable during the year on this basis.

EMPLOYMENT INDEX ABOVE '21-'28 LEVEL

Maritimes Show Improvement; Relief Work Has Effect

The employment situation in Canada on January 1, as reported by the Dominion Bureau of Statistics, was not as strong as on the corresponding date in 1929 and 1930 but was at a higher level than at January 1, 1921 to 1928, inclusive. Unemployment relief work had, to some extent, a stabilizing effect, that reduced the seasonal slackness that is usual at this time of year.

Manufacturing, construction, transportation, mining, communications and trade reported large seasonal contractions while logging showed some improvement. The drop from the December 1, 1930, level was 6.4 per cent and the index of employment, based on 1926 average employment at 100, was 101.7. On the same date in 1930, the index was 111.2; in 1929, 109.1; in 1928, 100.7; and in 1927, 95.9.

Ontario and Quebec registered the greatest declines while the Maritime provinces were the only ones to show improvement. Increase in the east was largely due to transportation, opening of winter ports, construction and logging. Manufacturing, construction and transportation contributed to the losses of Quebec and Ontario. In Quebec some improvement was noted in retail trade, and highway and road construction.

Recessions in British Columbia were not so pronounced as on January 1, 1930, but the current index is at a lower level than in either 1929 or 1930. Gains were made in highway construction as a result of the unemployment relief programme but curtailment was reported by lumber, food, iron and steel, factories, logging, transportation and trade. The prairie provinces lost chiefly through slackening in construction, although manufacturing, transportation, mining and trade were also slacker.

BUILDING PERMITS TAKE NICE UPTURN

December Figure Higher Than Previous Year and November, 1930

Building permits issued by 61 cities in December 1930, represented construction work valued at $15,439,964, as compared with $11,791,478 in the previous month, and $14,688,682 in December, 1929. In only one other December has the 1930 figure been exceeded since 1920, this having been in December, 1928. As compared with December a year ago, Nova Scotia, Quebec, Manitoba and British Columbia recorded increases in the value of building authorized, Quebec reporting the most marked gain of $4,756,671, or over 191 per cent. The greatest decrease was returned by Ontario, where the value of permits were 40 per cent, or $2,832,490 lower.

Montreal and Vancouver showed increases in comparison with both November, 1930 and December, 1929. In Toronto there was a gain in the former and a loss in the latter comparison, while Winnipeg showed losses in both. Among 16 cities which recorded advances in both comparisons were Halifax, Quebec, Brantford, Owen Sound, St. Thomas, Walkerville and Medicine Hat.

Comparative Record

The following table, compiled by the Dominion Bureau of Statistics, shows the value of building authorized by 61 cities by months, for the past three years; the 1930 figures are unrevised, while for the preceding years the statistics are revised:

Building Permits Issued, By Months

	1930 $	1929 $	1928 $
Jan.	7,189,741	14,688,682	7,716,587
Feb.	8,827,870	10,465,330	10,318,338
Mar.	13,352,640	24,068,018	15,128,413
Apr.	16,276,443	29,656,709	18,606,167
May	19,621,302	24,185,738	27,515,522
June	17,935,478	27,816,592	22,751,960
July	15,730,964	17,935,478	25,761,956
Aug.	13,817,745	21,582,221	17,448,542
Sept.	11,681,706	17,117,017	20,374,149
Oct.	12,723,789	18,073,378	21,558,085
Nov.	11,791,478	16,166,385	15,830,836
Dec.	15,439,964	14,688,682	16,095,160
Total	163,799,670	234,944,549	219,105,715

FREDERICK G. TODD
Landscape Architect
920 Castle Bldg., MONTREAL
Marquette 9617

New Issue

Maclaren-Quebec Power Company

Thirty-Year 5½% First Mortgage Sinking Fund Bonds

Price 94 and accrued interest to yield 5.93%

Plus Federal Transfer Tax

The funds derived from this issue will be used to develop 245,000 E.H.P. on the Lievre River, a tributary of the Ottawa in the Province of Quebec.

The company has already entered into contracts with the Hydro-Electric Power Commission of Ontario for 125,000 E.H.P. of the 245,000 and with The James Maclaren Company, Limited for an additional 66,000 E.H.P. These contracts extend beyond the maturity of the bonds and it is estimated that when the full amount of power under these contracts is delivered, net earnings without further sale of power will be 2.19 times the bond interest requirements.

We recommend these bonds for investment.
Full particulars will gladly be furnished on request.

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TORONTO 2

DOUBLING its appropriation

To get the Business World out of the rut of depression and start the wheels of progress moving forward freely again, all the available machinery of our modern civilization must be employed with wisdom and foresight.

ONE of the resources at our command which has been used effectively in the past to build prosperity, is EFFICIENT ADVERTISING.

Because it believes in the effectiveness of NEWSPAPER ADVERTISING, and because it believes that prosperity is returning, whether it returns quickly or slowly—THE WINNIPEG FREE PRESS has decided to DOUBLE its Advertising Appropriation in 1931.

The copy for the FREE PRESS promotional advertising, which is confined to daily newspapers, is prepared within its own four walls, the FREE PRESS advertising staff being invited to submit copy for approval, being only limited in its preparation by the following regulations laid down for their guidance:

1—Strive for condensation.

2—Avoid exaggeration.

3—Adjectives as a rule are not strengthening to a statement, and superlatives are weakening and harmful.

4—Refrain from making dogmatic statements.

5—Qualify assertions.

6—Make no statement that can be successfully challenged.

7—Use sparingly, if at all, such words as—vast, enormous, tremendous, huge, immense.

8—It may be difficult to always produce copy of a high order, but it is not difficult to make it what it always ought to be—truthful.

Shakespeare tells us that "an honest tale speeds best, being plainly told," and copy writers could with advantage remember this.

The FREE PRESS harbors no doubts about the wisdom of its decision to increase its advertising appropriation this year, nor does it believe its message will be weakened in the slightest degree if the copy conforms to the standards here outlined.

The Free Press is one of the group of newspapers covering the provinces of Manitoba and Saskatchewan. Free Press, Winnipeg; Leader-Post, Regina; Star-Phoenix, Saskatoon; with the Weekly Free Press Prairie Farmer, and the Saskatchewan Farmer, Regina.

Consult Any Recognized Advertising Agency.

FREE PRESS ADVERTISING OFFICES

TORONTO: 1206 Canada Permanent Bldg. Wm. Houston, Manager

LONDON, ENGLAND: A. P. Collier, Manager

MONTREAL: 225 Confederation Bldg. H. M. Sandison, Manager.

Represented in the United States by:
HENRY DE CLERQUE, Inc.
CHICAGO NEW YORK SAN FRANCISCO LOS ANGELES SEATTLE

TORONTO GENERAL TRUSTS REVIEW OUTSTANDING YEAR

Hon. N. W. Rowell, K.C., LL.D., President, and Mr. W. G. Watson, General Manager Report Exceptional Increase in Business

SAVINGS AND GUARANTEED CERTIFICATES INCREASE NEARLY $6,000,000—STRONG MORTGAGE POSITION—TWO NEW BRANCHES OPENED

Growing Public Demand for Services of Trust Companies

Address of the President

In moving the adoption of the Report, the President, the Hon. N. W. Rowell, K.C., LL.D., said:

I have pleasure in presenting the Directors' report for the year 1930, and, having regard to business and economic conditions, I am sure the shareholders will consider it satisfactory.

As our General Manager will deal with the financial statement, I shall only mention one or two outstanding features.

Record Increase in New Business

The earnings for the past year have been well maintained, the profits being $516,229.81, as compared with $530,029.49 in 1929 and $461,731.14 in 1928. The new business undertaken during the year was the largest in the history of the Corporation, amounting to over $41,000,000, and the assets now under administration amount to $220,986,461, an increase during the year of over $25,000,000, which is a much larger increase than in any previous year. The principal increase has been in estates, trusts and agencies. The Corporation, since its organization forty-nine years ago, has devoted special attention to this most important branch of Canadian Trust Company business, and its efficient staff of trust officers enables your Corporation to give excellent service in handling all kinds of estates, trusts and agencies.

In this connection it is gratifying to note the increasing use made by the public of Trust Companies in administering estates and handling trusts and agencies. This is further evidenced, so far as your Corporation is concerned, by the increasing number of men and women who are desirous of appointing the Corporation as executor and trustee under their will, or wish to set up a present trust either in cash or securities or by way of insurance policies. It is perhaps a natural result of the experiences of the past year and a half that men are more than ever prepared to consider the advantages of a modern Trust Company, not only in the administration of estates, but also in the management of trusts created by them during their lifetime, so as to ensure adequate provision for those who are dependent on them.

All investments made by the Corporation are subject to the approval of your Board, and those whose estates and trusts are being administered by the Corporation have the benefit of the knowledge and experience of a Board of able business men in passing upon such investments. The executive officers also have the advantage of the experience and advice of members of the Board in dealing with major problems arising in the administration of trust estates. This is of great value in the administration of such trusts.

The report of the Inspection Committee has been submitted to you. This Committee of your Board inspects every security taken or purchased by the Corporation to see that the taking or purchase is duly authorized by action of the Board, and that a clear title to the security is vested in the Corporation.

Development of Branch Organization

During the year the Corporation has improved and increased its facilities for handling its ever enlarging volume of business. The new office building at Calgary was completed, and the enlarged office premises made available have facilitated the transaction of the Corporation's business in Alberta. All space in the new office building not required for the Corporation's own business has been satisfactorily rented.

A new branch has been opened at Windsor, Ontario, where substantial business was offered, and where the prospects appeared to be good for the development of business in the future. A new branch was also opened at Number 30 Bloor Street West, in Toronto, to meet the demands of an increasing number of patrons of the Corporation for an uptown office. This departure is in accordance with a similar movement which is taking place in other large Cities on this Continent. Both of these branches are well staffed, and your Directors believe the results so far obtained have justified their action in opening these branches.

Proposed Increase in Capital

A resolution will be submitted to you approving of an increase in the capital stock of your Corporation from $3,000,000 to $5,000,000. The present capital stock has all been issued and fully paid, and while it is not the intention of the Board to issue any new stock immediately, the Board considers it desirable that the capital stock should be increased so that it may be available for issue from time to time as the interests of the Corporation may require.

Firm Confidence in West

During the past summer, accompanied by Mr. Blackwell, one of our Vice-Presidents, and Mr. Watson, our General Manager, I visited Western Canada, and conferred with our Branch Managers and Advisory Boards in reference to the business of your Corporation, and the general economic and business conditions in Western Canada.

Everyone must recognize that by reason of the partial crop failure in certain sections of the Prairie Provinces and the serious decline in the price of wheat and other grain products, the farmers of Western Canada are passing through a trying period, and this has affected the payment of interest on mortgage loans in Western Canada.

I first visited Western Canada in 1890, and have kept in touch with its progress and development since that date. At that time the Prairie Provinces were still suffering from the depression which followed the collapse of the land boom of the '80s. No one who saw Western Canada at that time, and has noted the progress and remarkable development of the intervening forty years, can have any doubt whatever about the future of that country. While there is reason for concern about present conditions, and all reasonable effort should be made to assist our Western farmers to work their way through their present difficulties, there is no ground for pessimism as to the future of Western Canada. It will work its way through this depression with the same spirit, courage and resource that it has worked its way through other depressions during the past forty years.

I believe Canada has suffered less than almost any other country in the present world-wide depression, and I do not believe any country is more likely to recover speedily from the effect of the present depression than Canada. Our great natural resources, our climate and the character of the Canadian people are the guarantee of our future.

Importance of Export Markets

In previous annual addresses I have spoken of Canada's export trade as a vital factor in Canada's progress and prosperity. The events of this past year have again demonstrated the fundamental importance of this trade. In our primary industries our normal production exceeds the requirements of domestic consumption by hundreds of millions of dollars annually, and our trade is bound to be stagnant and depressed unless we can secure a satisfactory market for our surplus products.

While many causes have contributed to the present world-wide depression, such as the financial burdens imposed by war debts and reparations, the accumulation of more than one-half the world's available monetary gold supply in two countries, the unparalleled drop in the price of silver, the wild orgy of stock speculation which culminated in the crash of 1929, the over-production in a great variety of the world's principal commodities, undoubtedly one of the most important factors has been the disturbance and disruption of international trade, inevitable during the War, but more or less continued since by the barriers which have been erected to prevent the flow of commodities from one country to another. While much can be done in each country as a result of individual effort and some wise legislation, to contribute toward the return of prosperity, international co-operation is essential if world finance and world trade are to be restored to normal conditions. The world must learn in the economic sphere that international co-operation in finance and trade is a safer and saner policy than extreme economic nationalism.

A satisfactory market for Canadian wheat and the other products of our primary industries is one of our most urgent needs, and one must earnestly hope that all efforts to secure this market, whether within the Empire, in the Orient or in other parts of the world, may meet with success, but we must recognize that nations can only pay for goods with goods or services, and that exchange of commodities in some form is the fundamental condition of foreign trade.

In considering the general economic situation it is not possible to ignore the developments in Russia, and the expansion in her export trade. Russia is placing on the markets of the world great quantities of the products of her primary industries, thereby securing the money to continue the development of her five year plan, and the increasing agricultural production of Russia is a factor which must affect the price of agricultural products throughout the world, and makes it all the more important that Canada should secure, if possible, an enlarged market for her agricultural products within the Empire.

Progress Towards World Peace

Undoubtedly the principal causes of the extent and intensity of the present world depression had their origin directly or indirectly in the world war and another essential condition for the restoration of general prosperity is the maintenance of world peace. While there are disturbing factors in the international situation, the agreement reached at the London Naval Conference between Great Britain, the United States and Japan for the further limitation of naval armaments has distinctly improved the relations between these countries. The progress made by the Disarmament Committee of the League of Nations, which has resulted in the decision to call a general disarmament conference in 1932, is a cause for satisfaction, and it is to be hoped that some real progress will be made toward further reducing the enormous cost of military armaments, the burden of which is a contributing factor in the world-wide depression.

The United States has signed the protocol for adherence to the Permanent Court of International Justice and the President has submitted it to the Senate with a strong recommendation for its approval. If the Senate approves and the United States becomes a member of the court, it will be a very real contribution to international stability as well as to the peaceable settlement of international disputes.

The cessation during the past year of the Civil War in China gives promise of more stable political conditions than have existed in China for some years, but the collapse in the price of silver, and its present instability is seriously interfering with the development of trade with China.

Conditions in India during the past year very seriously interrupted and curtailed foreign trade with this great country, which contains almost one-fifth of the world's population. It is to be hoped that the result of the deliberations of the Round Table Conference in London, and the influence of the delegates on their return to India may tend to allay the present unrest and make possible the early establishment of stable representative government and respect for law in India, without which there can be no return to normal business conditions, or the development of international trade.

Speaking generally, real progress appears to have been made during the year toward the solution of a number of difficult and acute international problems, and the prospects for continued international co-operation for the preservation of world peace have improved during the year.

During the past year the Corporation sustained a serious loss in the death of two of its Directors, Lieutenant-Colonel Reuben Wells Leonard and Mr. J. Bruce Macdonald, both of whom enjoyed the confidence and high regard of their fellow Directors and the officers of the Corporation. Colonel Leonard joined the Board in 1912. He was deeply interested in the work and activities of the Corporation, although his illness in recent years prevented his active participation in the work of the Board. His fine public spirit, perpetuated as it is in his public benefactions in the interests of Canada and the Empire, gave him a unique and honoured place among the citizens of Canada. Mr. Macdonald joined the Board in 1907 and became a member of the Inspection Committee in 1924. He was constant in his attendance at the meetings of the Board and the Inspection Committee, and his presence will be greatly missed by his fellow Directors. The vacancies have been filled by the election of Mr. Victor Ross and the Honourable Charles McCrea, both of whom will add strength to the Board.

May I express my appreciation of the assistance and whole-hearted co-operation of the Vice-Presidents, Directors and members of the Advisory Boards in the work of the Corporation during the year. I desire also to pay a tribute to the work of the General Manager, the Assistant General Manager, the Branch Managers and the officers and employees of the Corporation, who have been untiring in their efforts to promote the interests of the Corporation.

Address of Mr. W. G. Watson

The General Manager, Mr. W. G. Watson, then addressed the meeting as follows:

In reviewing the 49th Annual Report of the Corporation, while our net profits show a small decrease from that of 1929, one is pleased to observe that in point of new business assumed and in net increase of assets it is by far the best year in the history of the Corporation. In net profits we realized $516,229.81 as against $530,029.49 in the preceding year, or a decrease of $13,799.68. As to total assets these stand at $220,986,461.13, representing a net increase for the year of $25,491,611.03. This increase is distributed among the three sections of our Financial Statement as follows:—

Capital Account		$ [illegible]5,612.58
Guaranteed Trusts Account:		
(a) Guaranteed Certificates	$3,792,447.41	
(b) Funds on Deposit	2,066,791.10	
		$ 5,859,238.51
Estates, Trusts and Agencies		$19,596,759.94
Total Increase		$25,491,611.03

This represents an increase in assets of over 13% for the year or a sum in excess of the total amount accumulated during the first twenty-three years of the Corporation's history. It may be of interest to you to follow our progress in assets under administration beginning with the first nine years and thereafter in periods of ten years since the inception of the Company in 1882.

1890 (9 years)	$ 4,712,339
1900 (10 years)	$ 16,047,394
1910 "	$ 41,601,297
1920 "	$113,762,324
1930	$220,986,461

As we should expect, the bulk of the increase during the last year, or $19,596,759, took place in the Estates, Trusts and Agencies under our care.

Record Increase in Guaranteed Trust Funds

We are also pleased to observe that in Guaranteed Funds we show an unusually large increase for the year, viz., $3,792,447. This class of investment—which is trustee in character, convenient for the investor and pays a fair net return—is becoming increasingly popular among all classes of investors, including financial and industrial institutions.

Then in our "baby" department—the Savings on Deposit—which was only opened in April, 1929, we show a substantial increase of $2,066,791 for the year, which gives us a total of $4,132,451 on deposit at Head Office and our several Branches. Not only our clients in other departments but also the public in large numbers are finding this branch of our business a convenient and remunerative depository for savings.

In this section of our Assets Statement, which also includes the funds represented by Guaranteed Certificates which are taken on a fixed-period basis, our liquid position at the end of the year, that is to say the amount under investment in Government and Municipal securities, including Call Loans on similar securities and Cash in the Bank computed on the basis employed by the Ontario Government, was 152% of the total savings on deposit.

Capital Account

Turning to our own Capital Account: the Office Premises and Safe Deposit Vaults at Head Office and the Branches, including our new office building in Calgary finished during the year which, we are pleased to observe, is 100% occupied, stand after very substantial writing down during the years at $2,000,000 and return a highly satisfactory net income together with office accommodation for our own purposes at very moderate rents.

Our Real Estate held for Sale is somewhat up for the year, partly accounted for by the fact that during the year we leased our office premises in Regina and moved our Branch Office to more suitable quarters on Scarth Street, necessitating the transfer of this property from Office Premises to Real Estate account. In accord with our usual custom these properties were reviewed at the end of the year and written down where necessary to meet new valuations and while the margin of apparent equity in total is substantial, our position in this connection is further supported by additional reserves.

The total amount invested in Mortgages and Sale Agreements on Capital Account shows a slight reduction during the year as does also the amount in Stocks and Bonds and our advances to Estates while our Cash in Banks and on Hand is somewhat higher. Our Conditional Sale Agreements, which represent sales on a crop lease basis of farm properties in Western Canada, are protected by specific reserves. Here again our position is further fortified by additional reserves.

Mortgage Position Very Satisfactory

The mortgage investments of our own negotiating, including those held on Capital Guaranteed and Trust Accounts, now amount to $37,515,319.36, an increase of $1,609,607.15 for the year. Over thirty-one millions of these mortgages are secured on properties in Eastern Canada and on city properties in Western Canada in respect of which, including all interest falling due in December, only $52,486 of interest remained unpaid as at the end of December, or about one-sixth of 1%. This, I am pleased to note, is even a little better than the excellent position in which we were a year ago in respect of this section of our mortgage investments, and I venture to suggest is a most encouraging situation, having regard to the considerable amount involved, and also the business depression which has obtained—indicating, as it does, I think, the fundamental soundness of our general economic position.

As to farm loans, however, in Western Canada, unhappily owing to unfavorable conditions, including blowing of crops early in the season and continued lack of moisture in certain wide areas—bad harvesting weather in perhaps even larger areas—coupled with an unprecedented drop in prices of wheat and coarse grains, Western farmers as a group have suffered severely this year and consequently, in common with others, we shall no doubt have to carry over a considerable volume of arrears of interest on Western farm mortgages until next harvest.

It should be noted, however, that, notwithstanding these unfavorable conditions, a large number of farmers in Western Canada have already met their mortgage interest payments in full and others will do so during the next six months from grain that still remains unsold, some of which is not yet threshed, or from the sale of cattle, hogs, poultry, milk or other products of the farm.

I mention this for the reason that, no doubt because of the major depression that obtains among the Western farming community which, in the main, is due to the low price of grain, a false impression seems to have gotten abroad to the effect that the agriculturist in the West, as a whole, is unable to meet his financial obligations. In this connection it may be of interest to you to know that in our own case already over 40% of our Western farm mortgagors have met their interest payments in full and many more have made substantial payments on account and this process of liquidation, as I have suggested, will no doubt continue in a measure from month to month.

In taking into profits interest in arrears on mortgage accounts a conservative practice, as you will expect, is being followed, and in respect of Agreements for Sale under Crop Lease no interest at all is taken into account until it is actually received by us.

Speaking generally, we have in our experience discovered that farmers in the West who diversify their operations are, one year with another, in a much better position to meet their obligations than those who confine themselves to grain farming. One feels that with the adoption of this method of farming wherever possible, coupled with an increasing use of fertilizers which are being manufactured in Western Canada and are available at a low cost per acre, together with a reasonable adoption of the newer methods of cultivation and harvesting, the Western Canadian farmer can match the world not only in quality of output but also in cost of production. This programme, however, on the part of the farmer calls for the fullest possible co-operation of both labor and capital toward the reduction of cost of commodities and services requisite to the completion of the farmer's [illegible], including the ultimate distribution of his products to the consumer wherever located, as also to the comfort and happiness of the farmer and his family.

Trust Companies have in the past taken their full share of responsibility in the development of agriculture in Canada and are greatly interested in its success, appreciating as they do the importance to the Dominion of a prosperous and contented farming community. To this end Government and Legislature, colleges, industrial schools, labor organizations and financial institutions should sympathetically study the rural problem and lend a hand in every way possible.

While a trade depression such as that through which Canada is now passing may not be appreciably reflected in the expansion of Trust Companies because of their ramifications and their many varied channels of business, nevertheless, in common with other financial institutions, the Trust Company has its unusual problems and responsibilities in such times as the present. These arise not so much from its diversity of departmental functions but because of the multiplicity and variety of its contacts with business enterprises and its interest in all manner of assets related to estates and trusts under administration throughout the Dominion.

In departments such as the Corporate Trusts and Transfer and Registration of stock, there has, of course, been a marked falling off in volume during the year due to the major drop in stock market activities and the general slowing up of business in Canada and throughout the world. This depression also has its effect, but in a more limited fashion, in reduced activity in the Real Estate and Mortgage lending departments.

Growth of Trust Companies

On the other hand the year 1930 will, no doubt, record a very substantial growth of assets under administration by Canadian Trust Companies not only in the estates and trusts section, but also in guaranteed funds and savings deposits. The Ontario Government report as of 31st of December, 1930, covering twenty-six Canadian Trust Companies registered in this province, showed guaranteed funds and savings deposits of $146,788,869 as against $124,757,864, reported on the corresponding date of last year, an increase of $22,031,004, or 18%. The total assets of these twenty-six Trust Companies as at December 31, 1929, amounted to $1,808,754,550, an increase of $373,703,756 over the preceding year and one has no hesitation in forecasting a very considerable increase in these figures in 1930, which should advance the total to at least two billion dollars.

Canadian Mineral Resources

As to the general financial and trade conditions in Canada so much has already been said in recent weeks that I shall not attempt to make any extended review.

There is, however, one of our great natural resources in Canada which I think has never been over-emphasized and in these days we do well to remember its increasing importance to both the East and the West—I refer to our mineral resources and would like to draw your attention to some figures in connection with our mineral production. In 1915, the second year of the War, our mineral output had a value of $137,109,171, which in 1929 (the latest year for which we have the figures) had grown to no less a sum than $310,850,246—or our fifth greatest industry. Of this latter amount Ontario leads the provinces with a production of $117,662,505. While the full report for 1930 is not yet available, the production in gold alone for 1930 was $35,385,000, or $1,850,000 in excess of the output for 1929. Gold occupies third place in Canada's mineral production and among the nations of the world in this product Canada is second only to South Africa. The present outlook is for substantially higher production in gold in Ontario and with the renewed interest, that at present obtains, in the search for this precious metal, it is anticipated by those who are informed that Ontario will continue for years to be a substantial producer of gold, of which her output during the last twenty years has amounted to nearly $350,000,000.

Much of Ontario's development, including that of the city of Toronto, during these years can, no doubt, be attributed to the mining industry of the North and who will say that the future of this industry will not surpass its accomplishments of the past?

We have a great variety of mineral products in Canada, some seventy or more of economic value, and ten of these have an annual output in excess of $10,000,000 each, and eight out of the nine provinces enjoy mineral production in varying values. This is an industry to which Canada may look forward with increasing confidence as one from which great wealth should accrue.

Economic Problems

As to world economic problems, one feels that in the scientific and highly organized age in which we live—an age of easy transportation and world neighborhood — there should shortly evolve some method of controlling price levels within narrower limits of fluctuation which would seem to be so important—some fair and reasonable basis for purchase and sale or exchange of commodities, either directly or indirectly with other nations, coupled with a much-improved system of distribution which is one of our major problems at present.

This may involve, among other things, a re-casting of war debts, a new study of tariffs and certainly a closer co-operation within the Empire and among many of the nations of the world. Indeed the widespread depression and adversity in which the world finds itself to-day may make it possible to accomplish presently what seemed but a dream even a year ago. It is a time for courage and an open mind, careful planning and sane leadership—but not a time for pessimism or discouragement.

Canada is taking stock to-day in a period which, if more or less painful to many, will in the end prove to have been one in which valuable lessons and experiences were recorded and positions consolidated from which important and permanent advances were made possible. We still have our natural resources as before—the same sources of wealth in soil and forest, in minerals and fisheries, and who will say that we have not the same courage, industry and capacity which enabled our fathers to overcome difficulties in former years?

Corporation Enters Fiftieth Year

As a corporation we have entered upon our fiftieth year and when next we convene in Annual Meeting it will be to consider our 50th Annual Report and celebrate in becoming fashion the completion of half a century of useful service. As Shareholders, Directors and Staff, I am sure we shall unite to make this fiftieth year a record one for our organization.

In closing I cannot speak too highly of the consistent, practical and helpful interest manifested in your affairs by my fellow Directors and the members of the Advisory Boards at the several Branches of the Corporation, who are always available for conference and advice not only at Board meetings, but also in committees or as individual members.

I should also like to take this opportunity of expressing my sincere appreciation of the whole-hearted services and loyal support of the officers and staff at Head Office and Branches. No one can over-estimate the value in such a year as 1930 of a cheerful, loyal and intelligent group of men and women, such as that over which I have the honour of presiding, and I am confident that the same loyalty and efficiency will continue to characterize their performances in the future.

The motion for the adoption of the Report was carried unanimously.

THE TORONTO GENERAL TRUSTS CORPORATION

Financial Statement for the Year Ended 31st December, 1930

PROFIT AND LOSS ACCOUNT

Balance 31st December, 1929	$	217,411.62
Net Profits, deducting all Management Expenses		516,229.81
	$	733,641.43
Appropriated as Follows:		
Quarterly Dividends, Nos. 135 to 138, 12% per annum	$	360,000.00
Federal, Provincial and Business Taxes		60,000.00
Office Premises and Equipment		55,926.72
Balance carried forward		257,714.71
	$	733,641.43

ASSETS

Capital Account:		
Office Premises	$ 2,000,000.00	
Real Estate held for sale	397,040.08	
Mortgages and Agreements for Sale	3,531,325.19	
Bonds and Stocks	199,033.61	
Loans on Debentures, Bonds and Stocks	170,152.05	
Loans to Trust Estates	469,531.12	
Cash in Banks	294,309.49	
Accounts Receivable and other Assets	84,486.80	
		$ 7,145,878.34
Guaranteed Trusts Account:		
Mortgages	$ 13,884,254.23	
Government and Municipal Debentures	3,782,527.05	
Bonds and Stocks	247,916.35	
Loans on Debentures, Bonds and Stocks	3,358,051.28	
Cash in Banks	464,034.90	
		21,736,783.81
Estates, Trusts and Agencies:		
Investments and Cash in Banks	$ 62,989,656.02	
Original Assets of Estates at inventory Value	129,114,142.96	
		$ 192,103,798.98
		$ 220,986,461.13

LIABILITIES

Capital Account:		
Capital	$ 3,000,000.00	
Reserve	3,750,000.00	
Declared Dividends, Income Tax and Unearned Rents	138,163.63	
Profit and Loss	257,714.71	
		$ 7,145,878.34
Guaranteed Trusts Account:		
Guaranteed Investment Certificates	$ 17,604,332.58	
Savings Deposits	4,132,451.23	
		21,736,783.81
Estates, Trusts and Agencies		192,103,798.98
		$ 220,986,461.13

Board of Directors:

President: HON. N. W. ROWELL, K.C., LL.D.

Vice-Presidents: CHARLES S. BLACKWELL, LL.D.; E. T. MALONE, K.C.

HON. A. C. HARDY	S. J. MOORE
COL. JOHN F. MICHIE	ISAAC PITBLADO, K.C., LL.D.
HON. SIR D. H. MCMILLAN, K.C.M.G.	ALEXANDER MACLAREN
	PAUL J. MYLER
H. H. WILLIAMS	W. W. NEAR
THOMAS BRADSHAW	ALBERT MATTHEWS, LL.D.
WILMOT L. MATTHEWS	A. E. PHIPPS
ARCHIBALD H. CAMPBELL	CHARLES S. MACINNES, C.M.G., K.C., LL.D.
F. BARRY HAYES	W. G. WATSON
ALEXANDER FASKEN, K.C.	T. A. RUSSELL, LL.D.
HON. CHARLES MCCREA, K.C., M.P.P.	VICTOR ROSS

Copy of complete 1930 report will be mailed on request

Ten Canadian Issues With Good Record Since 1921 Decline

Average Yield on These Issues of Reasonable Promise Now Trifle Higher Than Rate Obtaining Decade Ago

By NORMAN R. UNSWORTH

Now that pessimism is rampant, the theory that common stocks are a suitable medium for investment has lost some of its charm. The question is even asked, "Must the common stock investor be doomed perpetually to make a fool of himself?" For the purpose of establishing the attractiveness of common stocks as permanent investments, ten Canadian securities are chosen as a representative list of "average risk" Canadian common stocks.

Such high-grade issues as Bell Telephone, Canadian Pacific Railway, City Dairy, Consumers Gas, Imperial Oil, Montreal Light Heat and Power, Ogilvie Flour, Price Bros. and Shawinigan Water & Power were not included in the list as these stocks are considered to carry the "least risk" as long-term investments. Neither have any of the highly speculative issues found a place.

Yield Now 7.66 Per Cent

The accompanying tables, therefore, which include these 10 stocks illustrate the manner in which the pendulum has swung from a period of depression in 1920-1921 to the Utopian values of 1929, to suffer another relapse during the latter part of 1929 and during most of 1930. At the peak of 1928-1929 prices these 10 stocks gave an average yield (that common yardstick which investors had used for so many years but which was unceremoniously cast aside in 1929) of only 3.21 per cent. Now they are yielding approximately 7.66 per cent and are offering a considerably higher yield than the average bond. In former years when stocks could be bought to provide a materially higher income than bonds, they were usually the better investment medium of the two. There is no good reason for thinking that such will not again prove true.

In the face of business depression and low security prices, however, every one of these 10 Canadian securities shows substantial enhancement in value from the 1920-1921 panic low. As shown on Table 1, the net appreciation in value aggregates 107.6 per cent during the ten year period. Therefore the composite story of these ten common stocks—Brazilian Traction, F. N. Burt, Canada Bread, Consolidated Mining & Smelting, Dominion Glass, Dominion Textile, Ford Motor Co. of Canada, Goodyear Tire & Rubber, Penmans, and Steel Company of Canada, reveals the fact that investors who are fortunate or far-sighted enough to acquire a partnership interest in these corporations during the previous major depression, have every reason to feel satisfied with their holdings. But what a thrill of elation they would possess if they were wise or lucky enough to sell near the top of the bull market! The net gain then would have been approximately 395 per cent.

This record serves to emphasize the soundness of staying with good securities, at least during the normal cycle length, and allowing the capital to grow with the continuous development of the country. Compare this sound policy with the eager hunt of the speculator for quick and large profits which has more frequently ended in financial disaster than in producing wealth.

In the heat of the bull market, in order [illegible] play at the dangerous game of doubling principal within a short period of time, such things as book values (or net assets per share) and earnings to price ratio, in addition to yield were given little consideration. At 1929 peak levels for the ten securities shown on Table 2, stocks were selling at 3.1 times book value compared with 1.1 times now, while average earnings per share for 1929 amounted to only 8.05 compared with an average market price for that year of 173.6. In other words, the average stock included in this representation list was selling at 21.6 times earnings.

This compares with 13.8 times 1930 estimated earnings and only 10.9 times preceding 9 years average earnings. According to Sir Josiah Stamp, the able British economist, the earnings of one particular year (especially that of a depression year) are of relatively small importance in judging the value of a stock; the basis for determining intrinsic values is the record of earnings over a series of years, plus a soundly reasoned estimate of earnings fairly to be expected in the future. If this theory is correct then the securities included in Table 2 appear to have fair attraction at present levels as these stocks are selling at only a moderate appraisal of earnings, which include two periods of depression, and are evidently not showing any "expectation of the future" in present prices.

Sounder Than in 1921

In Table 3 are shown the 1921 earnings on the approximate low price of the 1920-1921 depression (after adjusting the price for stock splits, etc., to compare with present levels). This table indicates that the decline in 1921 earnings were in the majority of stocks more severe than are currently being experienced. The recession in Consolidated Smelters, Penmans and Steel Co. of Canada earnings were unusually sharp and consequently make the earnings to price ratio appear decidedly unbalanced. In 1930, also we notice that Consolidated Mining & Smelting has experienced the sharpest reversal in earnings of any stock in the group. This is undoubtedly due in both instances to the drastic decline in commodity prices, especially lead and zinc, which put a decided crimp in "Smelters" earnings.

Conditions Now Sounder

Although the yield on the aggregate closely approximates the average at the present time, the yield was relatively much higher in 1921, as four of the ten securities were non-dividend paying in 1921. However, the difference in yield and earnings to price ratio between the two depression periods as exemplified in the tables may be explained by the increase in equity and sounder financial position of these concerns now as compared with 1921.

Among the securities of today may be found the counterpart of these 10 seasoned investments which in the next major upward swing will establish for themselves a record of progress and enhancement equally comparable to the above group. These major profits will accrue only to those investors who do not allow the prevailing pessimism to dwarf their minds to the possibilities that exist in Canadian securities for future growth. The selection of securities in substantial enterprises, under good management, representative of growing industries has been the foundation in the past on which large fortunes were built and it will undoubtedly bear fruit in the decades yet to come.

Table I — Market Values Still Above 1921

	1920-1 Low	1928-9	Approx. Equivalent Price now	Approx. Quotation Price	1930 Dividend Rate	1930 Yield
Brazilian Traction	$20	$321	$88	$22	[illegible].50+2% stk	[illegible].82%
F. N. Burt	83	400	160	40	3.50	8.75
Canada Bread	16	339	136 (1 pref. B)	7	.75	10.71
Cons. Smelters	54	575	148	148	2.50+10.00	8.45
Dominion Glass	50	220	102	102	7.00	6.86
Dominion Textile	97	411	240	80	5.00	6.25
Ford Motor of Canada	210	1400	440	22	1.20+.70	8.64
Goodyear Tire & Rubber	77	1242	230	92	5.00+2.50	8.15
Penmans	91	236	146	71	4.00	5.63
Steel Co. of Canada	43	267	160	40	1.75	4.38
Average 10 companies	$89.10	$444.10	$185.00	$62.40	4.54 cash +.2% stock	7.66%

Table II — Book Values Near Market Values

	Approx. price now	Book value	Price times book value	Average earnings 9 years	Price times average earnings	1930 estimated earnings	Price times estimated earnings
Brazilian Traction	$22	$32	0.68	1.94	11.3	$2.00	11.0
F. N. Burt	40	35	1.14	3.95	10.1	3.75	10.8
Canada Bread	7	4	1.75	1.32	5.3	.75	9.3
Cons. Smelters	148	92	1.61	14.67 (8)	10.1	6.00	24.6
Dominion Glass	102	73	1.40	8.94	11.4	7.64	13.4
Dominion Textile	80	95	0.84	6.12	13.1	6.00	13.3
Ford of Canada	22	27	0.81	2.56	8.6	2.50	9.0
Goodyear Tire & Rubber	92	62	1.48	9.37 (8)	9.8	8.02	11.6
Penmans	71	62	0.98	4.98	14.2	5.00	14.2
Steel Co. of Canada	40	68	0.59	3.10	12.9	3.50	11.4
Average 10 companies	$62		$.56	1.11	5.69	4.[illegible]	13.3

Table III — Yields Ten Years Ago

	Adjusted low price 1920-1	1921 Earnings	Price Times Earnings	1921 Dividend Rate	Yield
Brazilian Traction	$5	$0.62	8.1	....	....
F. N. Burt	21	3.69	5.7	5.00	23.80%
Canada Bread	2	0.82	2.4	....	....
Cons. Smelters	54	0.80	67.5	....	....
Dominion Glass	50	8.17	6.1	6.00	12.00
Dominion Textile	32	7.22	4.1	3.67	11.48
Ford Motor of Canada	10	1.68	5.9	1.50	15.00
Goodyear Tire & Rubber	31	Def.	...	....	....
Penmans	45	0.92	48.9	1.00	2.22
Steel Co. of Canada	11	0.22	50.0	1.75	15.91
Average 10 companies	$26	$2.42	10.8	1.[illegible]	7.24%

Mining Inquiries

American Matachewan

Will you please advise me if American Matachewan Gold Mines, Ltd., stock has any value? The mine or prospect is situated in the Temagami Forest Reserve, Ontario.

American Matachewan Gold Mines, Ltd., is still in existence, but little or no value can be attached to shares in the company. Of the authorized capitalization of $2,000,000 in $1 par shares, 1,000,005 shares are outstanding. No stock was sold to the public other than the private stock sold by the officers and directors of the company which had been given in exchange for the property.

The company owns five patented claims, 440 acres in Powell township, Matachewan gold area. Only sufficient work was done on the property to patent the claims. It has remained inactive for several years. There is an outstanding obligation of $1,500 to the president of the company, J. H. Dixon, Toronto.

Ventures

I should like your opinion of shares of Ventures Ltd. at present prices. What is the nature of the company and its holdings

Ventures Ltd. is a holding, investment and exploration company and is the key company of the various Lindsley enterprises. Officials themselves say the company is, as the name implies, a venture.

Its holdings include 1,375,000 shares of Coniaurum Mines, an unstated interest in the Dominion Explorers, 1,536,170 shares in Falconbridge Nickel Co., an unstated interest in the Manitoba Basin Mining Co., a controlling interest in the Manitoba Copper Co., an interest in the Northern Lead-Zinc Co., five per cent interest in the Ontario Refining Co., ten per cent interest in the Prospectors' Airways, 49,126 shares in Sherritt-Gordon Mines, 260,000 shares in Sudbury Basin Mines, and an investment interest in several foreign companies, including some of the copper properties of Northern Rhodesia.

Although the company has extensive holdings in the above companies, only two is producing at the present time, i.e., Coniarum Mines, and Falconbridge Nickel. Coniaurum is an interesting gold property in Porcupine, but to date the recovery per ton has been low, sufficient only to meet operating expenses. The exploration department of Ventures has been very active, particularly in the Northwest Territory, but to date the company has not been rewarded with finds regarded as of commercial importance.

Owing to the very speculative nature of the company's operations it cannot be regarded as other than a long shot gamble for those who are prepared to lose. On the other hand, to an investor who understands the situation and the nature of the speculation and who can afford to take long chances it does offer possibilities for appreciation should some of the various enterprises come through in a big way.

Newbec Mines

Kindly advise me if Newbec Mines, Ltd., has any future and if you would consider it a fair gamble as a penny issue?

Newbec Mines Ltd. owns a copper-gold prospect in Dufresnoy township, Quebec, about six miles northwest of the Noranda mine. It is purely a prospect, and while the geology is favorable the actual development results have been disappointing as far as proving up any ore of importance is concerned.

Work is proceeding at the property irrespective of the present copper situation and the company has sufficient money to carry out limited exploration work. On April 30 its working capital amounted to approximately $85,000. We would not recommend the stock except as a long range speculation.

DETROIT BRIDGE INITIAL REPORT SHOWS BIG LOSS

Company Fails to Meet Debenture Interest Due February 1

CAPITAL IS IMPAIRED

Protective Association is Formed to Guard Rights of Debenture Holders

High cost of initial operations, and a gross income far below that originally estimated resulted in a net loss of $1,367,296 for Detroit-International Bridge Co. during 1930, its first year of operation. While the company had funds available for payment of interest on the 6½ per cent first mortgage bonds outstanding to the extent of $11,978,000, and due on February 1, the interest on $8,000,000 of 7 per cent debentures was passed. Debenture holders are forming a protective association.

Business depression, severe in the Detroit area, is stated to have reduced automobile traffic, while reduction of toll rates by 50 per cent on the ferries and opening of the Detroit-Canada tunnel on November 3, 1930, also had an adverse effect. The outlook is stated to be more encouraging and passing reference is made to the report issued by the company's engineers in November, 1930.

Revenue Less Than Interest

Gross revenue from tolls is stated at $892,043 from which deductions of $328,833 for operating and administrative expense and $195,052 for taxes leave net operating revenue of $368,158. Other income amounted to $27,061, making $395,219 available for interest, amortization, depreciation and bonus for contractors. The net income is slightly more than 50 per cent of the $778,570 required to meet first mortgage bond interest. Interest on notes payable totalled $1,332 and debenture interest was $560,000. Amortization of funded debt discount and expense is carried at $112,639; allowance for depreciation of bridge structure and equipment, $239,952; and bonus paid to contractors, applicable to nine months' period, $70,021. The total of these charges, some of which are non-recurring, is $1,762,514, and brings the loss for the year to $1,367,296.

To the 1930 loss, must be added a deficit of $145,492 carried forward from the previous year and the total deficit amounting to $1,512,788 is $7,488 in excess of the par value of the 14,053 shares of 7 per cent preferred of $100 par value outstanding and the 100,000 shares of no par common carried at $100,000. The company therefore shows an impairment of capital of $7,488.

Liabilities Exceed Assets

Assets total $20,704,084, of which $381,672 is cash and $7,178 is accounts receivable. Deferred charges total $1,881,149 and include $1,519,413 for unamortized funded debt discount and expense, $228,484 in prepaid easement rentals, and $133,253 in prepaid taxes, insurance and stationery, etc. Fixed assets include land valued at $2,701,119; bridge structure and equipment, $14,119,790; automotive equipment, $24,000 and furniture and fixtures of $15,490; all subject to allowance for depreciation of $266,392. Franchises, rights, etc., are carried at $1,840,078.

Current liabilities total $733,571, of which $557,737 is accrued interest on funded debt; $67,105 is accounts payable and $108,729 is accrued taxes. The funded debt, as above stated, totals $19,978,000, bringing the total of liabilities, excluding capital to $20,711,571, or $7,488 more than the total of assets.

Action has been taken by Stanton Griffis, H. N. Bawden and G. Siler, acting as a protective committee to secure united action by debenture holders to protect their rights, especially in the event of action by other creditors of the company. Debenture holders are asked to deposit their debentures, with all coupons maturing on and after February 1, 1931, with the depositaries named by the committee, Marine Midland Trust Co. of New York or National Trust Co., of Toronto.

In addition to bond interest charges of $778,570 and debenture interest of $560,000 per annum, the company will have an additional $940,500 to meet on August 15 as semi-annual sinking fund requirement for the first mortgage bonds and debentures. The trust agreement for each issue specifies that sinking fund payments shall start on the first interest date after an 18 months' period following the opening of the bridge. The bridge was formally opened on November 15, 1929.

A committee also has been formed to protect the interests of holders of the first mortgage bonds.

Industrial Commission Issues Book on Toronto

The Toronto Industrial Commission has just published an elaborately executed booklet on Toronto and the Toronto area that lays particular emphasis on the charm and character of the city. The book is a valuable supplement to former publications of the commission that stress the economic factors that make Toronto a logical location for industry.

In the current publication, statistics are noticeable for their absence. Excellent photographs, including aerial views, provide a background for clear and concise copy on all phases of the city's development social, mental, industrial and commercial. From the striking orange and black cover and a colored frontispiece picturing Fort Rouille in 1749 to the last page, which describes the function and activities of the commission, the book does full justice to Canada's second largest city.

Dominion Steel & Coal Reopens Two Iron Mines

From Our Own Correspondent

MONTREAL. — Despatch from Bell Island reports that mines No. 6 and 3 of the Dominion Steel and Coal Corp., were reopened at mid-month in January. Other mines were not opened owing to the fact that necessary repairs will have to be made before it is possible to resume operations.

There have been a number of roof falls to clear away and pit-propping to be carried out.

Beresford Forming Firm

From Our Own Correspondent

MONTREAL.—D. G. Beresford, who has been elected a member of the Montreal Curb, is forming a new company to be known as Beresford and Dupont. He has been connected with Mathewson, McLennan and Molson. Mr. Dupont has been connected with one of the larger financial houses here.

Canada's Interest In World Problems

A Discussion of World Affairs and How They Now Touch Canada's Problems

By GRANT BROWN, of H. G. Stanton & Co., Toronto

Editor's Note—Business recovery in Canada will be substantially influenced by conditions in other parts of the world. The Financial Post is publishing a series of five articles on world affairs in relation to Canadian recovery. They have been written by an economic student with an historical background, Grant Brown, formerly of the staff of the University of Toronto, now a partner of H. G. Stanton & Company, members, Toronto Stock Exchange, Toronto.

The purpose of this series on "Canada and the Outside World," is to call attention to the intimate connection of trade and industry in Canada with the outside world and to examine certain aspects of foreign affairs in relation to our industrial recovery. The first article discussed Great Britain; the second, Continental Europe; the third, Russia.

ARTICLE FOUR: THE UNITED STATES

No survey of external influences affecting Canadian industry could overlook the United States. After all, when it comes to buying or selling, borrowing or investing, we have no external relationship of greater material importance. Sooner or later,—usually a little later—we ourselves seem to experience very much the same sort of industrial weather as our neighbors enjoy—if "enjoy" is always the word.

Can American industry regain its activity while the rest of the world is still depressed? For great Britain with her huge foreign trade or for Germany, perhaps even for Canada, forced as she is to find customers abroad for wheat, newsprint and so much besides, such a development would appear unlikely. For the United States, however, with foreign trade amounting only to some ten per cent or less in her total, it would appear to be at least a possibility, and it is worth while examining the question further.

Some Business Leaders More Optimistic

As recently as the last few weeks the atmosphere across the border seems to have changed. Some of the most conservative financial and industrial magnates are venturing to prophesy the beginning of better things. True, the White House seems to have wearied of crying "Prosperity" where there is no prosperity, and the genial optimists of last January are less outspoken now; but others have stepped into the breach. George F. Baker, dean of American bankers, sees signs of recovery. Paul Warburg is quoted to the same effect. President Farrell of the U. S. Steel Corporation (by no means as optimistic as his fellow steel magnate, Mr. Schwab) announces that the low point of the depression was passed a month ago. Owen D. Young, who gave his name to the Young Plan, and Albert Wiggin of the Chase National Bank, the largest bank in the world, might also be listed among the prophets of approaching industrial revival. Is there any definite evidence to justify these opinions?

Some Important Obstacles to Recovery

Certainly the obstacles to recovery are still numerous enough to warrant hesitation. The shock of the 1929 panic has still left many traces; and not the least among them is that lack of confidence which gives way so easily to depression bordering on panic. The bank failures of 1930—more than a thousand in all—have further impaired public confidence, so much so that, in spite of the strength and resources of the Federal Reserve System, the Christmas outflow of currency from New York banks was abnormally large and the return of funds after the holiday season has been much slower than usual. Unemployment estimates still reach very high figures, and the weakening of purchasing power they indicate must certainly retard recovery.

Certain English critics regard the installment system as one of the main factors in the American depression and regard its influence as a further handicap to revival.

Low prices of commodities and—what is worse—the continued fall in prices, still present one of the most serious problems. In agriculture, where extremely low prices, especially for wheat and cotton, have greatly reduced the buying power of the farmer, the problem is particularly acute. When the effects of the drought on the corn crop and of the "carryover" both of wheat and cotton are added, the agricultural situation seems to leave small room for the optimist.

"Lame Duck" Congress is Business Menace

Nor can politics be overlooked in an enumeration of impediments to prosperity. While the representatives chosen in November have no power as yet, the effects of the rebuff to the administration are already seen in the weakened hold of the president even on the "lame-duck" Congress, and there is some fear that an energetic minority in the Senate will foist an extra session on an unwilling country by dint of delaying necessary appropriations until the month or so of life still remaining to the present Congress expires. An extra session would probably mean constant bickering between President Hoover and a hostile Congress—for even if the Republican party should be nominally in control with a majority of one or two, there will be enough insurgents in both House and Senate at least to thwart presidential policies. Already the president is embroiled with the Senate over the question of appointments to the Power Commission; and the dangerous proposal to redeem war service certificates now involves not only opposition to the White House but, if pressed home, a crushing burden on the treasury—this, too, when Secretary Mellon is predicting a deficit of at least $375,000,000 in any case.

The Wickersham Report need not be discussed here, although it probably means a presidential election in 1932 largely hinging on prohibition, with the loss to President Hoover of the "wet" Republican vote.

Foreign affairs might be mentioned; for tariffs, American investments in Europe and in South America, gold movements and payments on account of war debts are matters related both to politics and to industrial revival. Problems of individual industries, e.g., the superabundance of oil, might also be cited, although most of them are closely linked with a general recovery. In any case, the stumbling-blocks in the path to prosperity seem sufficiently large and numerous to cause anxiety.

Increased Production May Speed Relief

Fortunately, this is by no means the whole picture. Political agitation, though disturbing enough, is likely to mean deadlock in regard to most contentious legislation, for the presidential veto is not easy to override. Even a campaign against the utilities would have its limits in the protection afforded property rights by the Supreme Court. As to unemployment, while it is undoubtedly severe, increasing production in various industries (e.g., automobiles, steel) may be expected to bring gradual relief and, with spring, seasonal improvement at least should develop. The fact that high wage rates for the most part have been retained is likely to mean a rapid increase of purchasing power when unemployment figures begin to shrink. Whatever part installment buying may have played in piling up concealed inventories, by this time, at any rate—almost fifteen months after the panic—most of the purchases must have been paid for (and defaults in this connection have been far fewer than critics predicted) and additional buying power accumulated. The large increase in savings deposits in 1930 would seem to support this contention. While falling prices are admittedly serious, the rate of decline seems to be slowing up and in many cases stability, if not an upturn, appears to be at hand. In 1921 the upturn in industry preceded the upturn in prices.

Corporations Are in Strong Financial Condition

Several definitely favorable factors might be enumerated. One—and this presents a striking contrast to 1920-21—is the strong financial condition of many great corporations. Many have maintained dividends unchanged throughout 1930. Others have cut them through caution or conservatism, rather than of necessity. In any case a great many corporations are in excellent shape to take advantage of any improvement in their markets. The prevalent ease of money, while it is partly an indication of dull business, is also a factor tending to facilitate recovery. The recent announcement of President Hoover that the plan of consolidating the Eastern railways into four great systems had been practically agreed upon, as well as the appeal of the Interstate Commerce Commission for legislation to ease the railways' burdens seem to indicate a better spirit towards an important depressed industry. Improvement in the railroads would mean much for American business.

Consumption Now Outruns Production

It has sometimes been argued that there is nothing in sight to play the part taken by the automobile industry in the vigorous revival of American business after the depression of 1921. On the other hand, it has been urged with some plausibility, that many lesser improvements and inventions (e.g., electric refrigerators) may in the next few years play the rôle of the automobile after the depression of 1921. Perhaps the strongest reason for expecting some measure of industrial recovery in the near future is the fact that for some time consumption has been outrunning production. Retail trade has held up relatively well while manufacturing has reached a low ebb. This means that "necessary replenishment" will soon be an important factor in business. Even in times like these there are millions of American workers whose incomes are little affected—in fact with many lower prices mean increased purchasing power; and it is the exercise of this purchasing power—as goods wear out and as confidence returns—which initiates recovery. As one industry after another feels the impetus (shoes, clothing, textiles, etc.) the effect becomes cumulative. Instead of the "vicious circle" about which we hear so much when industry is on the down grade, we have a beneficent circle, as renewed activity and increasing employment spread from one reviving industry to another.

Favorable Factors Seem to Outweigh Others

So far statistical evidence of improvement has been apparent chiefly in the stepping up of automobile production—which has meant the recall of thousands of workers to well-paid jobs—and in the higher ratio of steel ingot production, along with some indications of an upturn in residential building and rather better enquiries for machine tools. The improved feeling in regard to banking also deserves comment. The numerous failures have been confined largely to the smaller banks dependent on farming districts which have suffered heavily from low prices. The larger banks of the Federal Reserve System seem to have stood the strain well; and the anxiety of December has given place to renewed confidence in January—with lowered rediscount rates (two per cent in New York) as evidence that the Federal Reserve Boards feel that the crisis has been successfully met and there are no grounds for alarm.

On the whole, then, it seems that the favorable factors are likely to outweigh the rest, and that, barring some particularly unfortunate political development, the United States promises to be the first to retrace the path of prosperity. A gradual and irregular recovery, largely seasonal at first, seems likely to prepare the way for the return to normalcy.

Waterloo Mfg. Passes Class "A" Dividend

Waterloo Manufacturing Co. directors have decided not to declare the quarterly dividend of 25 cents a share normally payable in January.

In announcing this decision to the shareholders, C. W. Snider, president, explains that it is due to the partial failure of the 1929 crop, followed by marked reduction in grain prices in 1930, these events seriously affecting sales and collections. Overhead and other expenses had been cut to a minimum but dividend payments would be passed in order to preserve a liquid position until the company's position will warrant resumption.

The company will actively push the sale of its Sunshine-Waterloo combine harvester during the present season, urging farmers that the necessity of cutting costs make such a machine necessary. The machines are now being manufactured at Waterloo for the 1931 season.

NATIONAL BRICK PREFERRED STOCK GIVES HIGH YIELD

Company Expected to Earn Dividend Needs for Year

From Our Own Correspondent

MONTREAL.—Though the preferred shares of National Brick Co., of Laprairie are selling at around 14 to yield over 21 per cent, it is understood that earnings to date have been sufficient to take care of dividend requirements at the rate of 6 per cent on the $50 par value shares. The company will close its fiscal year on February 28.

Earnings for the current fiscal period will be lower than last year but the high yield on the preferred is held to be more a reflection of the company's past record than an indication of present earning power. In 1929 a capital reorganization was undertaken which was hoped to relieve the company of burdens placed on it by the former capital structure.

Recapitalized in Former Years

Other recapitalizations were carried out in previous years owing to the company's inability to meet dividend requirements. The present structure comprises $1,600,000 of 6 per cent bonds, $1,669,800 of preferred stock and 20,698 shares of no par common.

In the last fiscal year National Brick earned $5.18 a share on the $50 par value preferred and $3.51 a share on the common. While profits for the current year will fall below these figures, indications are that the preferred dividend of $3 a share will be covered.

Construction Shows Decline

The decline in earnings is a reflection of the contraction in building. The company nevertheless secured a contract from the University of Montreal for 7,000,000 bricks in August, 1930; but new equipment necessary for manufacture of this special type of brick and material costs have reduced the margin of profit on the contract.

National Brick owns four plants together with 1,000 acres of shale and clay lands. Plants are located at Delson Junction and Laprairie. The company's preferred shares have receded from a high of 29½ in 1930 to current levels while the common stock which sold at 10 last year is currently quoted around 3 on the Montreal Stock Exchange.

CANADA DRY FINDS EARNINGS LOWER IN LAST QUARTER

President Saylor Hopes For Improvement in Summer Season

As anticipated by the management, Canada Dry Ginger Ale, Inc., had net profits for the quarter ending December 31 less than one-third of the totals for the last quarter of 1929. At the annual meeting on December 18, P. D. Saylor, president, stated that the board felt that much improvement in business could not be expected before the beginning of the beverage season about April 1.

The drastic drop in earnings is shown by the forthcoming table, giving comparative figures for the last quarters of 1929 and 1930:

Earnings for Last Quarter

	1930	1929
Net sales	$1,875,169	$2,772,776
Operating expenses	1,541,519	1,874,690
Net operating earn.	333,650	897,586
Other income	47,792	65,759
Total net earnings	381,442	963,345
Depreciation, taxes	178,166	212,510
Net profit	203,276	750,835
Earnings per share	.40c	$1.47
No. of shares outstand.	512,294	510,684

Mr. Saylor stated on December 18 that sales for October were the lowest of any month in the last year, that November sales showed an increase over October and December sales over November. The board found this encouraging. The company had not felt the depression in the last quarter of 1929 and the general consensus of opinion, he said, was that the business recovery would begin in the spring. This would coincide with the season in which the company made two-thirds of its annual earnings.

Traders, however, will watch very interestedly the results for the current quarter as the company's present dividend rate of $3 a year will require an average quarterly earning of 75 cents a quarter. If the current quarter shows 60 cents a share earned, there will be a disposition to believe that in the second half of the fiscal year the company will at least be able to cover the dividend. The company may improve on 40 cents a share in the present quarter as retailers had large supplies over from the summer and have been buying from hand to mouth. However, the Christmas and New Year's business will be lacking, and the precedent is against improvement as the sales and earnings for the first quarter of 1930 were less than those for the last quarter of 1929.

LOBLAW PROFITS SHOW INCREASE OVER 1929 TOTAL

Largest Christmas Business in History; Lower Prices Stimulate Sales

Loblaw Groceterias, in its sales and profits report for the four weeks ending Jan. 10, 1931, makes evident a continuance of the trend noted in every previous report, that is, sale of more goods at such reduced prices that totals are under those of the comparable period in the previous year but higher profits because of the greater quantity of goods sold. Careful and close buying and greater economy have helped the company to maintain profits at slightly over those obtained in the previous year.

Profits for the four weeks ending Jan. 10, 1930, were $99,646 on sales whose dollar total was $1,421,916 as against profits of $97,397 for the same period in 1929 on sales amounting to $1,565,623.

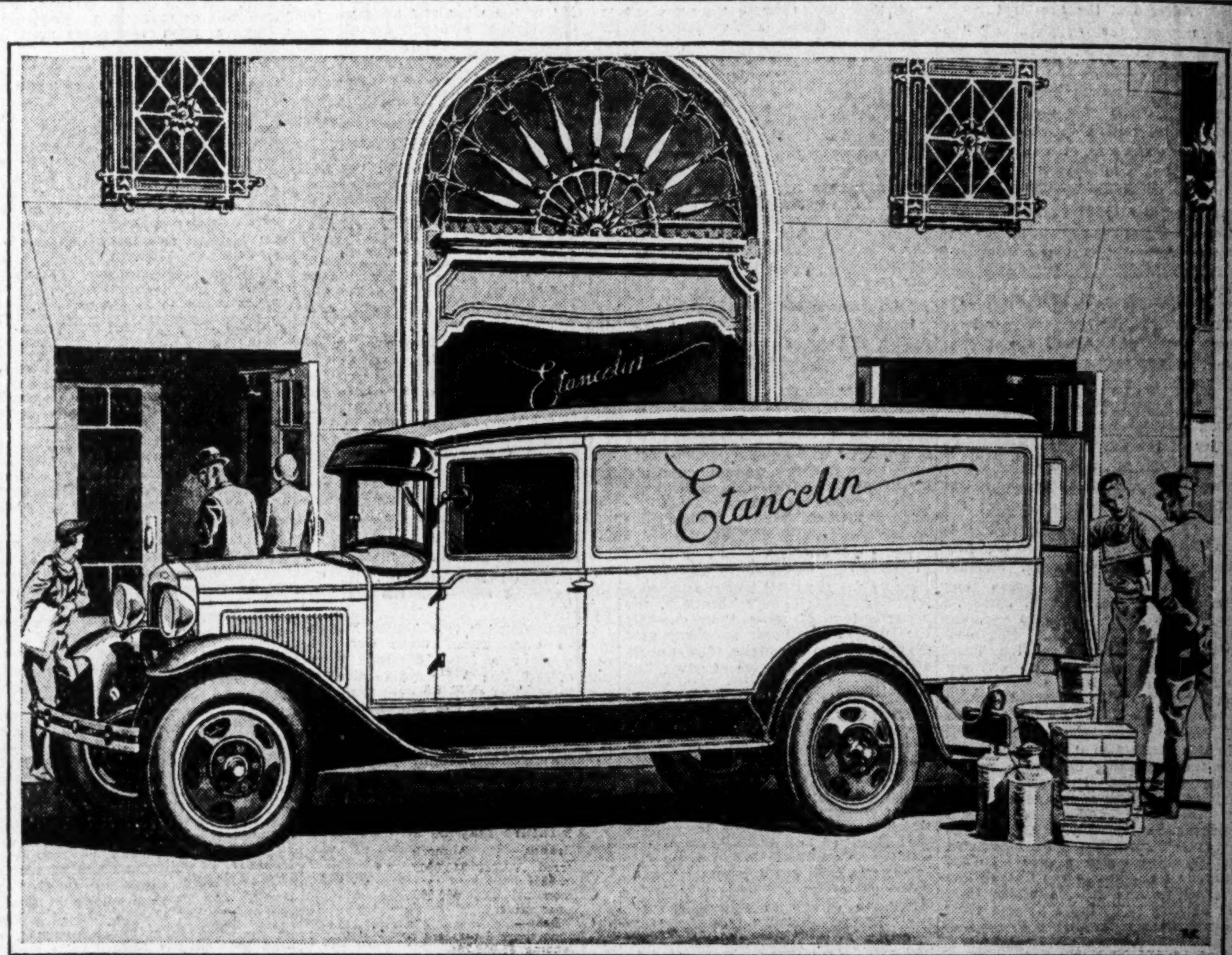
This brings profits to date for the first eight periods of the year to $643,423 on sales of $10,565,431 as against $638,001 on sales of $11,379,877 for the same period of the preceding fiscal year.

The Christmas business in volume of goods handled was the largest in the history of the company.

PUBLIC UTILITY EARNINGS
Canadian Pacific Railway

	1930 $	1929 $	Change $
December			
Gross earn.	16,324,469	15,518,232	+ 806,237
Working exp.	12,162,949	12,364,963	— 202,014
Net earn.	4,161,519	3,153,268	+ 1,008,251
From Jan. 1			
Gross earn.	180,900,804	209,730,955	—28,830,150
Net earn.	38,248,658	43,144,543	— 4,895,885

LAKE OF THE WOODS MILLING CO., Ltd.
Makers of FIVE ROSES FLOUR
MILLS AT
Montreal, Brantford, Keewatin, Portage la Prairie, Medicine Hat
DAILY CAPACITY 20,000 BARRELS
President and Managing Director FRANK S. MEIGHEN, C.M.G. — Vice-President and General Manager WM. W. HUTCHISON
Directors
TANCREDE BIENVENU, N. J. BREEN, JOHN W. HOBBS, HUGH MACKAY, K.C., WALTER MOLSON, ISAAC PITBLADO, K.C., R. W. REFORD, RT. HON. LORD SHAUGHNESSY, K.C., PAUL F. SISE, G. W. ALLAN, K.C., HON. RODOLPHE LEMIEUX, J. W. PYKE, G. C. MORRISON
Secretary M. H. HUTCHISON — Treasurer T. F. McNALLY — Asst. Treas. A. C. McMILLAN



Panel body on the 1½-ton chassis, with 131½-inch wheelbase. This and other types can be supplied for the chassis with 157-inch wheelbase. Many bodies are also available for the light commercial chassis

The Ford Truck offers a value far above the price

DAILY, throughout the Dominion, Ford commercial units are operating in new and wider fields. A steadily increasing range of body-types, a choice of two different chassis — the 1½-ton truck, and the light commercial car — and a variety of especially designed equipment, all help to adapt the Ford for service in many businesses.

Ford trucks for every purpose

It is possible to select a Ford unit, and a body, which are exactly suited to almost any work required. Thus, the reliability, excellent performance, and definite economy of the Ford become directly available to a larger number of industries.

A wide range of equipment

There is a choice of 131½-inch or 157-inch wheelbase, of 6.6 or 5.14 rear-axle gear-ratios, and of single or dual rear wheels. A factory-built cab is also available with all chassis. There is a large number of bodies for the light commercial chassis.

This wide range of choice enables every business to profit by those features that make the Ford a value far above the price.

Features of Ford commercial units

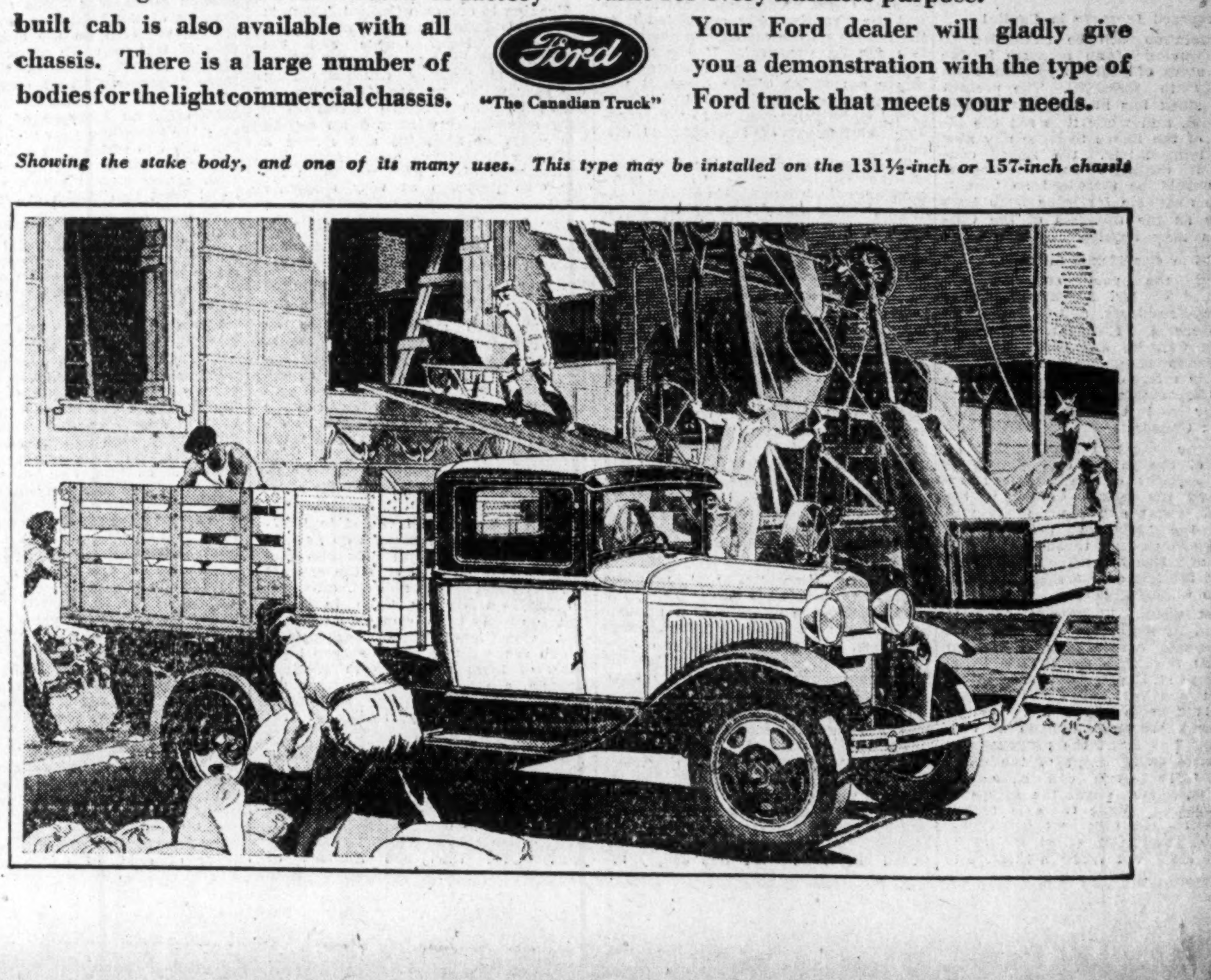
Important among these features are the use of forty different kinds of special steels; more than twenty ball and roller bearings; precision-workmanship; the simplicity of the cooling, lubrication, electrical, ignition and fuel systems; torque-tube drive; three-quarter floating rear axles; internal expanding mechanical brakes, all fully enclosed, and controlled by brake-rods; sturdy frames, cross-members, axles and springs; 4-cylinder, 40 horse-power engine; and shatterless glass windshields on factory-built cabs for safety.

Each of these contributes to performance, reliability, strength, long life or safety in such a way as to insure a high degree of hauling-value for every business purpose.

Your Ford dealer will gladly give you a demonstration with the type of Ford truck that meets your needs.

"The Canadian Truck"

Showing the stake body, and one of its many uses. This type may be installed on the 131½-inch or 157-inch chassis



SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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STEEL COMPANIES FACE BRIGHTER FUTURE AS DUMPING IS CUT

EXPECT STEEL AGAIN TO LEAD TRADE UPTURN

Nearly 1,200 Plants Contribute to Industrial Wealth of Canada

ADJUSTMENTS COME

Primary Producers Helped by Tariff, While Secondary Makers May Broaden Activities

The importance of the iron and steel industry is indicated by the fact that for the last year for which complete statistics are available, namely, 1929, there were 1,169 plants employing on the average 130,762 workpeople, capital invested amounted to $750,266,626, and the selling value of all products had a valuation at works of $732,390,039. This value of production represents over 15 per cent of the total revenue of all manufacturing industries.

In accordance with the general trend of business, iron and steel output showed a decided falling off during 1930. While a large part of this decrease is attributable to the automobile industry, nearly every group shows a decline, the agricultural implement group being badly hit by low grain prices and most of the other large groups carrying on by virtue of held-over business from 1929.

1918 Still is Record

During 1929, iron and steel output reached the highest point since the peak days of 1918. The high point came in March, 1929, when steel production amounted to 137,000 tons for the month. This figure was higher than the monthly average for 1917 and only slightly below that of 1918. The falling off, which continued through 1930, commenced in September, 1929, but prior to that each month had been ahead in production of the corresponding month of the previous year since November, 1927. Every single branch of the industry with the exception of the miscellaneous group shows an increase in production in 1929 over 1928, the groups to show the largest increases being automobile parts, automobiles, and castings and forgings.

Dumping is Curtailed

The outlook for 1931 is brightened by the helpful changes in the tariff and also in the anti-dumping laws. Hitherto, foreign manufacturers, specializing in one particular article, have been able to dispose of their surplus production by exporting to Canada, even although such surplus represented perhaps a year's supply of that product in the Canadian market. As imports in 1929 amounted to $342,000,000, or about 32 per cent of domestic consumption, the opportunity for the Canadian industry can be gauged, as practically every branch of the industry is affected by the changes.

Will be First to Improve

As there does not seem to be much chance of any material improvement in Canada's leading industries in 1931, operations in the iron and steel industry will probably be at much the same level as in 1930, though this industry should be one of the first to show improvement when general business conditions show an upward tendency.

Irrespective of recent tariff changes, there has been an entire revision of the classification of iron and steel products which will prove an invaluable aid toward simplifying trade and tariff problems in the industry. In the past, there were only a few general classifications in the tariff schedule and the result, as a diversity of output developed, was nothing short of chaos both to manufacturers and to those interested in imports and exports. The entire list has been reclassified and overhauled much to the relief and delight of the iron and steel trade.

A constructive factor in the last year has been the capital readjustment, long needed, in two of the three leading primary producers.

Foreign Trade Lower

There was a decided drop in both imports and exports in the steel industry during 1930, and in both cases the decreased trade in automobiles has been largely responsible. Imports dropped from $350,682,000 for the 12 months ended September, 1929, to $247,303,000 for the 12 months ended September, 1930, being a drop of $103,379,000 or about 30 per cent. The decrease in imports of automobile parts and automobiles amounts to approximately $43,000,000. Structural steel, engines and boilers, and farm machinery and imports also show large decreases.

Exports for the same periods have decreased from $90,530,000 to $58,202,000, exports of automobiles and trucks having decreased from $46,000,000 to $24,000,000. Practically all other items also show decreases.

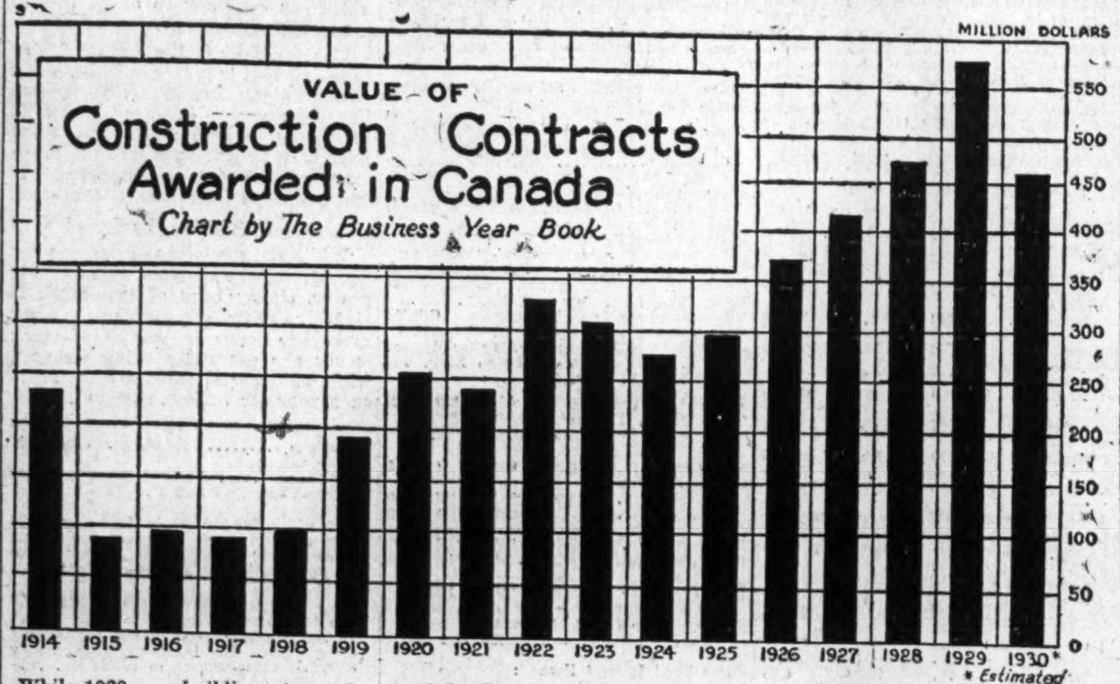
Imports totalled $342,480,427 for the calendar year 1929, and of these $309,421,260, or about 90 per cent, came from the United States and $22,272,090, or about 7 per cent, from the United Kingdom. Of total exports in 1929 amounting to $90,101,566, the United States took $13,250,523, or 15 per cent, and the United Kingdom $7,841,850, or 8.5 per cent. Australia, New Zealand, India and the Argentine are other import countries to which iron and steel products are exported.

Williams Alloy

Williams Alloy Products controls patents for exclusive manufacture of certain metal bearings and pistons. The plant is in Elyria, Ohio, and output is distributed in 31 states and in Mexico.

Canadian investment interest in this company is limited and its shares seldom make their appearance in trading on the Montreal Curb Market.

Building Activity Close to 1928 Level



While 1929 saw building at a new peak in Canada, 1930 witnessed a reduction. Activity, however, was above 1927 and about the same as for 1912.

STEEL CO. OF CANADA

Diversification of Production and Financial Strength Stand Company in Good Stead During Period of Slack Business

Steel Co. of Canada is one of the strongest industrial organizations in the Dominion, while its stock ranks among leading Canadian investments. The company has a consistent record of progress over a long period of years, and though operations in 1930 have been affected by business conditions, it is expected that the company will make a relatively satisfactory showing.

Steel of Canada has a production of wide diversification. The company manufactures pig iron, open hearth steel, billets, wire rods, forgings, and nails, tacks, woodscrews and a wide line of similar products. The company is at present engaged in research with a view to adding the manufacture of seamless tubes to its activities.

Steady Expansion of Property

The company is continually extending the scope of its operations and adding to plants. An ore dock is being constructed at Hamilton, the major site of plant operations, while in 1929 two open hearth furnaces of 130 tons capacity each, two merchant mills and various other additions and improvements were added to present equipment. Steel of Canada has twelve plants in all.

This policy of replacement and additions carried out in respect to physical properties is a strong feature of the company. It has always been a firm believer in keeping buildings and equipment up to date, in order to keep costs at a low point and provide sufficient capacity to take up any sudden expansion in demand. Toward this end, it has, from year to year, spent large sums of money. Consequently the equity back of the common stock has been increasing, as also has the earning power.

Litigation is Settled

While the preferred and common shares are always closely watched in trading on the Montreal Stock Exchange, particular attention recently was centred on the securities, due to a settlement of the litigation which had involved the company in connection with dividends on its common stock.

Common shareholders had instituted legal proceedings in 1928 to secure arrears of dividends on the common so that the stock would receive 7 per cent per annum since the inception of the company before further profits would be distributed to the preferred shareholders. Judgment was awarded in their favor at the first hearing, but this was appealed by the company. Eventually the case came before the Privy Council which dismissed the appeal of the company and favored the claim of the common shareholders.

No Immediate Benefits

While this decision is not expected to result in any immediate disbursements of arrears to the common shareholders, it means that if, at a later date, a disbursement in excess of 7 per cent is paid on the preferred, common shareholders will be entitled to their claim as handed down in the decision of the Privy Council.

The business of Steel Co. of Canada is national in character and naturally reflects conditions in the Dominion. The company, however, occupies an exceptionally strong position and further steady progress in the future may be anticipated.

Capitalization—

	Authorized	Outstanding
Preferred (Par $25.)	$10,000,000	$6,496,300
Common (No par value.)	600,000 sh.	460,000 sh.

Funded Debt— First mortgage 6 per cent bonds, due 1940, outstanding $5,058,264.

Dividend Record— Preferred—$1.75 per annum, payable quarterly, Feb., May, Aug. and Nov. 1. Initial dividend of 50 cents with bonus of 18¾ cents paid Feb., 1929. Common—$1.75 per annum, payable same as preferred. Initial dividend of 50 cents with bonus of 18¾ cents paid Feb., 1929.

Officers and Directors— Officers—Ross H. McMaster, pres.; H. H. Champ, vice-pres. and treas.; R. G. Wells, H. M. Jacquays, H. T. Diplock, vice-presidents; S. E. LeBrocq, comptr.; H. S. Alexander, sec. Directors—Charles S. Wilcox, chairman of board; H. H. Champ, Maj.-Gen. the Hon. S. C. Mewburn, K.C., C.M.G., Hamilton; Ross H. McMaster, H. M. Jacquays, A. J. Brown, K.C., G. H. Duggan, Hon. Smeaton White, Montreal; Right Hon. Sir Thomas White, K.C.M.G., F. G. Osler, Toronto; H. G. Dalton, Cleveland, Ohio.

CONSOLIDATED INCOME & SURPLUS ACCOUNT
Years Ended December 31

	1929 $	1928 $	1927 $
Net earn. from oper.*	4,936,068	4,051,706	3,166,280
Add: Other inc.	399,189	454,776	395,514
Total net earn.	5,335,257	4,506,482	3,561,794
Less: Deprec.	1,158,898	1,079,240	816,989
Bond int.	312,264	329,528	346,290
S. F. res.	325,828	314,319	303,143
Net profits	3,538,267	2,783,395	2,095,372
Less appropriations:			
Pref. divs.	454,741	519,704	454,741
Com. divs.	805,000	920,000	805,000
Pension fund reserve	100,000	100,000	100,000
Empl. benefit fund res.	200,000	100,000	......
Surp. for yr.	1,978,526	1,143,691	735,630
Add: Previous surplus	12,042,376	10,898,685	10,163,055
Bal. car. for.	14,020,902	12,042,376	10,893,685

*After charges for repairs, maintenance and provision for income tax.

Times Interest Earned:

	1929	1928	1927
After deprec.	13.87	10.40	7.93

Earn. per Share and Div. Record—

	1929	1928	1927
Preference:			
Earned†	13.62	10.71	32.25
Paid	1.75	2.00	7.00
Ordinary:			
Earned†	6.70	4.92	14.27
Paid	1.75	2.00	7.00

†Before taking participating feature into consideration.

Ten Years' Earnings—

Year	Earnings	Dividends	Surplus
1920	$3,924,041	$1,259,741	$8,740,965
1921	1,778,661	1,259,741	8,298,516
1922	1,962,169	1,259,741	7,942,373
1923	2,996,580	1,259,741	8,570,248
1924	2,510,827	1,259,741	8,835,015
1925	2,825,607	1,259,741	9,293,584
1926	3,247,606	1,259,741	10,168,055
1927	3,166,280	1,259,741	10,898,685
1928	4,051,706	1,439,704	12,042,376
1929	4,936,068	1,259,741	14,020,902

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Com.	50	35	69¼	34	58	53½
Pref.	44	34	60¾	37½	55	52

DOMINION STEEL AND COAL

Reorganization Plan Deflates Old Capital Structure of Besco and Should Enable Company to Demonstrate Earning Power

Re-organization plans of the British Empire Steel Corp. and its allied interests, under the new name of Dominion Steel and Coal Corp., came into being in the first quarter of 1930. Under the new scheme of arrangement capitalization and asset values were heavily cut, with the result that the Dominion Steel and Coal has a capital set-up in line with its present earning power.

In the past, the British Empire Steel Corp. and its numerous subsidiaries were burdened with an excessive capitalization, which not only impaired public confidence in the enterprise but made it extremely difficult to carry on operations on a business-like basis. Re-organization plans, generally speaking, met with wide approval, the feeling being that the enterprise was now in a position where it could go ahead and demonstrate its ability to establish an earning power on a capitalization of moderate dimensions.

Benefits Expected in Future

It is only natural that in a reorganization of this type some time must elapse before the full benefits of the re-organization plans can be appreciated. The results for the past year can hardly be taken as a true picture of the new set-up. Not only was considerable effort directed towards putting the new plan into effect, but also because business underwent a severe change.

Operations in 1930

A preliminary estimate of operations for 1930 shows that the output of coal for all divisions was about 87 per cent of the amount lifted in 1929 and the amount of pig iron and steel was nearly 73 per cent of the preceding year's output.

There was a decrease of 339,038 tons in ore shipments from the Wabana iron ore mines. The total for the season was 1,177,961 tons as compared with 1,516,990 tons in 1929.

On the basis of 1929 earnings compared with the capital set-up of Dominion Steel and Coal Corp., it was estimated that share profits were equivalent to $2.03 on the 841,756 class "B" shares outstanding. For the past year, estimates are that the company will show about $1 a share. This figure may be high, depending upon the amount set aside for reserve and the amount plowed back into property.

Conditions over the past year were not wholly favorable for the iron and steel business. The slacking off in activity of railway building and general industrial work affected the demand for Dominion Steel & Coal products. On the whole, however, the company has come ahead satisfactorily and is working itself into a stronger position.

Common "B" (Par $25.)	$25,000,000	$21,043,900
Preferred "A" (Par $40.)	40,000,000	nil

Funded Debt— 6 per cent first mortgage sinking fund gold bonds and/or debenture stock, due Sept. 1, 1939. Authorized $25,000,000. $11,417,500 will be required to replace the same amount of 5 per cent consolidated bonds, $4,530,000 of which are pledged to the banks as security for loans; the company may also issue $2,082,447 to provide funds for the cash payment to the bondholders and other immediate obligations.

Officers and Directors— C. B. McNaught, pres.; Sir Newton J. Moore, K.C., M.G., vice-pres.; G. F. Downs, vice-pres.; H. J. Kelley, vice-pres.; J. A. Kilpatrick, vice-pres.; C. S. Cameron, vice-pres. i/c secretarial and accounting depts.; C. B. Lang, vice-pres. i/c steel sales; A. M. Irvine, vice-pres. i/c coal sales. All of the above are also directors of the company.

Market Record—

	1930 High	1930 Low
Class "B"	14	4½

DOMINION IRON AND STEEL
(Controlled by Dominion Steel Corp.)

Capitalization—

	Authorized	Outstanding
Preferred	$5,000,000	$5,000,000
Common (Par $100).	37,000,000	37,000,000

Funded Debt— Consolidated S. F. funds, 5%, due 1939, $11,674,253. Of the bonds outstanding, $7,035,254 are in sterling, and $4,639,000 are in the form of stamped currency bonds which bear the guarantee, (principal and interest) by endorsement, of Dominion Steel Corp. Cumulative Income Bonds, 6%, $3,500,000. Issued in February, 1912, in exchange for $3,500,000 preferred stock of the Dominion Steel Corp.

Dividend Record— Preferred—7% per annum, payable Jan., April, July and Oct. 1. Paid regularly to April 1, 1924. None since. Common—Under amalgamation plan, 4% in quarterly payments beginning July 1, 1910. None since.

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1929 $	1928 $
Net earnings†	2,247,836	1,843,328
Less: S.f. & deprec.	625,000	189,400
Bond interest	699,852	805,296
Bond discount	56,061	56,061
Add: Inter-co. int.	80,781	187,001
Net profit & surp.	947,704	979,572
Add: Prev. surplus	1,914,756	935,184
Less: Adj. (prior years)	120,851	....
Bal. carried forward	2,741,609	1,914,756

†After deducting manufacturing, selling and administration expenses.

Times Interest Earned:

	1929	1928
Before s.f. & deprec.	3.21	2.29
After s.f. & deprec.	2.32	2.05

Earnings Per Share:

	1929	1928
Preferred: Earned	$18.95	$19.59

None paid.

Before making provision for arrears of dividends.

Note—During the year of 1929, $472,098 was received from war reparations and was credited to depreciation reserve.

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Pref.	36½	18	30	10	12	5

DOMINION COAL
(Controlled by Dominion Steel Corp.)

Capitalization—

	Authorized	Outstanding
Pref. 7% cum.	$3,000,000	$3,000,000
Common (Par $100).	15,000,000	15,000,000

The common stock of the company is all held by the Dominion Steel Corp.

Funded Debt— First mortgage 5% bonds, due 1940, outstanding $3,883,000. Cumulative Income Bonds, 6%—These bonds were issued in February, 1912, in exchange for $3,500,000 preference stock of Dominion Steel Corporation.

Dividend Record— Preferred 7% per annum. Paid regularly to Feb., 1924. None since.

Officers and Directors— Same as Besco, with addition of W. S. Hodgens, Toronto.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1929 $	1928 $
Net oper. profit	1,745,094	1,181,813
Less: Half of net profit of Springhill div. accr. to Cumberland Rly. & Coal Co.	169,640	96,098
Net earnings	1,575,454	1,085,715
Less: Sink. fund & depr.	730,000	730,000
Bond interest	536,078	549,862
Bond discount	17,344	17,344
Net profit	292,032	*211,491
Less appropriations:		
Distrib. to coal employ.	91,925	91,693
Surplus for year	200,107	*303,184
Add: Previous surplus	1,018,819	1,322,003
Bal. carried forward	1,218,926	1,018,819

*Deficit.

Times Interest Earned:

	1929	1928
Before s.f. & deprec.	2.94	1.97
After s.f. & deprec.	1.58	0.65

Earnings Per Share:

	1929	1928
Preferred: Earned†	$9.73	...

None paid.

†Before making provision for arrears of dividends.

Note—During the year of 1929, $502,944 was received from war reparations, $452,944 being credited to depreciation reserve and the balance, $50,000, to the contingent reserve.

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Pref.	70	50	90	75	98	75

BRITISH EMPIRE STEEL CORPORATION

Capitalization—

	Authorized	Outstanding
First Pf. "A"	$60,000,000	....
First Pf. "B"	$40,000,000	$8,032,100
Second Pf.	$75,000,000	$57,350,000
Common (Par $100)	$75,000,000	$24,450,000

Funded Debt— None.

Dividend Record— First Preference Series "B"—7% per annum cumulative payable 1 Feb., May, Aug.,

(Continued on page 18)

BUILDING JOBS LIKELY FEWER FOR TIME YET

But 1930 Contract Total is at Level of 1928

MARITIMES GAIN

Unemployment Work of Last Few Months May Reduce Volume of New Business

In accordance with the general trend of business, construction contracts awarded during 1930 were considerably less than the previous year, returning to a point 3.4 per cent below the 1928 level. The year 1929 marked a high point in the industry, and the 1930 figures show a drop of approximately $120,000,000, a decrease of over 20 per cent.

Engineering contracts for the year make up just under 40 per cent of the total construction activity, followed by business contracts with 33 per cent, residential 20 per cent, and industrial 7 per cent. The only increases recorded are in the value of business contracts awarded in Quebec and the Maritimes, and in engineering contracts in Ontario, Alberta, Saskatchewan, and British Columbia, in which cases the increases are generally off-set by relatively great or greater declines in other classifications in the respective provinces, and did not outweigh the losses of the rest of the Dominion.

Reports are Indicative

Construction has become such an important index of business that figures published month by month are now carefully watched and studied. MacLean Building Reports, Ltd., compiles the number and value of contracts awarded during each month while the Dominion Bureau of Statistics makes a valuable compilation of building permits awarded in 61 cities.

It is expected that the commencement of public works in the late fall of 1930, in an attempt to relieve the unemployment situation, will tend to reduce the amount of construction contracts in the spring of 1931, and while there is a considerable amount of new construction contemplated for the year, totals will, in all probability, be smaller than 1930.

Latest available information shows that cost of building materials has reached the lowest point since 1917, and there is as yet no indication of an upturn in prices.

Building permits, analyzed by provinces, show that during 1930 every province excepting New Brunswick was materially lower in the number and value of permits issued. The total value of building authorized during the year in 61 cities throughout Canada is reported by the Dominion Bureau of Statistics to amount to $163,799,670. This is the unrevised figure, and it compares with the total for 1929 of $234,944,549. It shows a drop of 43.4 per cent therefrom.

The following table shows building permits issued in 32 leading cities during 1929 and 1930.

BUILDING PERMITS IN LEADING CITIES

	1930 $	1929 $
Nova Scotia		
Halifax	3,188,545	5,209,245
New Brunswick		
St. John	2,095,787	1,245,736
Moncton	456,692	768,698
Quebec		
Montreal	37,504,690	46,065,924
Quebec City	4,912,257	5,684,183
Westmount	1,674,542	3,220,145
Three Rivers	851,730	1,488,065
Sherbrooke	823,550	755,240
Ontario		
Toronto	30,095,589	47,698,654
York townships	6,241,198	9,824,273
Border Cities	3,481,913	9,003,656
Hamilton	6,291,100	7,008,320
Ottawa	6,295,275	3,403,333
London	2,744,735	2,408,900
Kingston	1,056,986	908,900
Fort William	1,227,300	1,759,000
Kitchener	1,344,233	1,645,351
Oshawa	6,187,180	1,478,090
St. Catharines	610,667	1,432,392
Sarnia	633,898	1,021,962
Niagara Falls	483,678	905,510
Chatham	761,258	813,560
St. Ste. Marie	589,773	782,059
Manitoba		
Winnipeg	6,643,750	11,050,250
Saskatchewan		
Regina	2,891,542	10,022,631
Saskatoon	5,314,440	5,902,123
Moose Jaw	1,058,303	1,025,474
Alberta		
Calgary	4,054,365	11,417,144
Edmonton	4,300,935	5,670,185
British Columbia		
Vancouver	14,645,106	21,572,727
Victoria	1,778,260	3,862,681
New Westminster	549,990	1,011,629

Enamel and Heating

Enamel & Heating Products, Ltd., represents a merger of Charles Fawcett Ltd., of Sackville, and the Amherst Foundry Co. of Amherst, N.S.

While the company has made progress since its inception, earnings in 1930 have been adversely affected and the regular dividend rate of $2 on the common shares was cut in half in August.

Capitalization—

	Authorized	Outstanding
Common (No par value.)	50,000 shs.	29,000 shs.

Funded Debt— None.

Dividend Record— Common—$1 per share per annum, payable quarterly, Feb., May, Aug. and Nov. 1. Initial dividend of 50 cents paid Aug. 1, 1928. Rate reduced from $2 to $1 per annum with payment of 25c. per share on Aug. 1, 1930.

Officers and Directors— Officers—C. A. Lusby, pres.; N. T. Avard, vice-pres.; N. A. Hesler, man.-dir.; F. R. Rand, gen. sales mgr.; C. W. Fawcett, works mgr.; S. Brett, sec.-treas. Directors—C. A. Lusby, N. T. Avard, Amherst, N.S.; C. C. Avard, N. A. Hesler, C. W. Fawcett, Sackville, N.B.; H. B. Robinson, Montreal, P.Q.

INCOME AND SURPLUS ACCOUNT
(For 21 mos. period ended Dec. 31, 1929)

	$
Net earnings from all sources	139,210
Less: Depreciation	27,000
Net profit	112,210
Less appropriations:	
Dividends	87,000
Surplus for year*	25,210

*Subject to income tax.

Earn. per Share and Div. Paid:

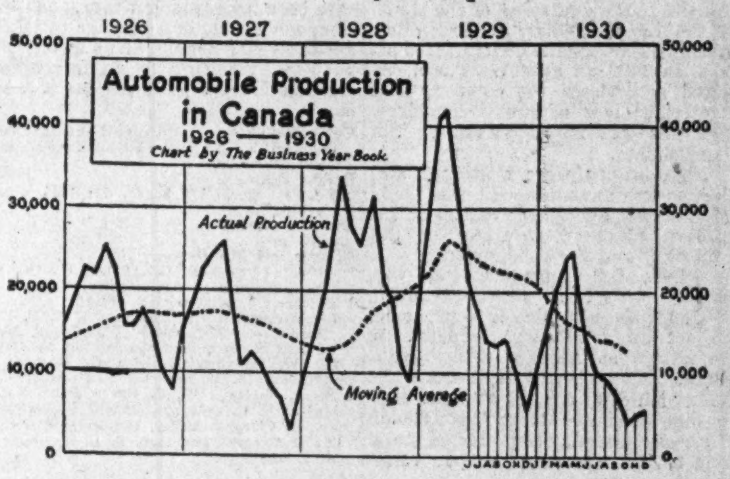
Earned*	$3.87
Paid	3.00

*Based on 29,000 issued shares.

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Com.	31	6	34	26	38	32½

How Motor Industry Slumps in Year



Production in 1930 was at lowest level for some years, but outlook for present year is seen as much better.

Few Bright Spots Seen In Outlook for Steel And Construction Firms

This, the annual review by The Financial Post of the leading companies, in which there is public investment interest, in the steel and construction industries, finds the outlook clouded with few bright spots. There are, however, a number of companies so well entrenched financially that they are in position to go through the depression without reduction or passing of dividends.

Those companies which normally share in government and municipal contracts may find 1931 a fairly satisfactory year. There will be, as formerly, a fair amount of road building because of the need for roads and because of the desire of governments to help create employment in this period of comparative inactivity in private enterprise. Moreover, the bond market, generally speaking, has been favorable to the sale of municipal bonds and it is likely that many projects which were delayed because of the unfavorable bond market a year or so ago have been, or will be, contracted for.

Building Costs Lower

It is likely, also, that the building of homes by individuals, and speculative builders, will receive an impetus this year because of lower costs. In most Canadian cities there is at present an apparent surplus of office space so that building of this character will be at a minimum. Probably the largest project of this character planned in the near future is the building of the Bank of Nova Scotia in Toronto. This building has been on the programme for a number of years and it is probable that the decision to proceed with it this year has been arrived at because the desired site became available, because the bank needs the additional space, because costs are lowering and because this work will be a factor in providing employment and, hence, in restoring prosperity.

Steel Outlook Fair to Bad

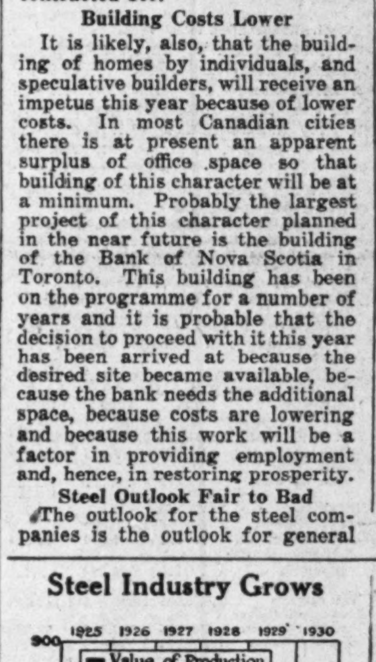
The outlook for the steel companies is the outlook for general business. There are few predictions that the producers and manufacturers in this group will find 1931 a favorable year. In the basic branches, it is worth noting that two of the three major companies in this country have achieved a financial reorganization and, while further financing is eventually to be announced, the recasting of unwieldy financial structures is helpful in no small degree from an operating point of view.

The agricultural implement companies, large users of steel, hardly can expect a good year unless there is a notable turn for the better for the farmers of this and other countries. Likewise, the companies supplying the automobile companies, and the automobile companies themselves, are in an uncertain position, although it is possible that 1931 will be a better year than was 1930.

Changes in the tariff favorably have affected a number of the steel makers and the adjustment, so far as has been apparent, has not been, in the main, unfavorable to the secondary manufacturers. There are rumors of further revisions in the tariff in the coming session which will be designed to stimulate domestic industry by reducing the amount and variety of imports of steel and steel products. In these lie the hope of improvement in the current year over 1930.

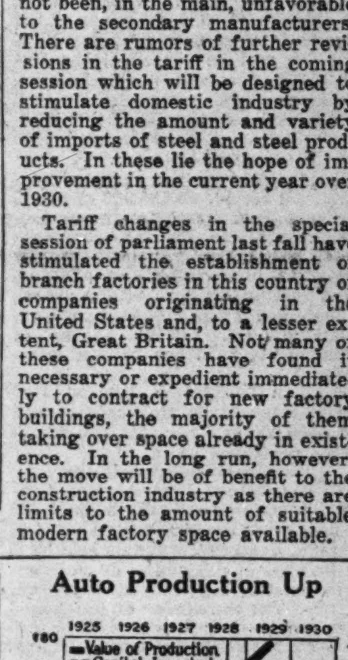
Tariff changes in the special session of parliament last fall have stimulated the establishment of branch factories in this country of companies originating in the United States and, to a lesser extent, Great Britain. Not many of these companies have found it necessary or expedient immediately to contract for new factory buildings, the majority of them taking over space already in existence. In the long run, however, the move will be of benefit to the construction industry as there are limits to the amount of suitable modern factory space available.

Steel Industry Grows



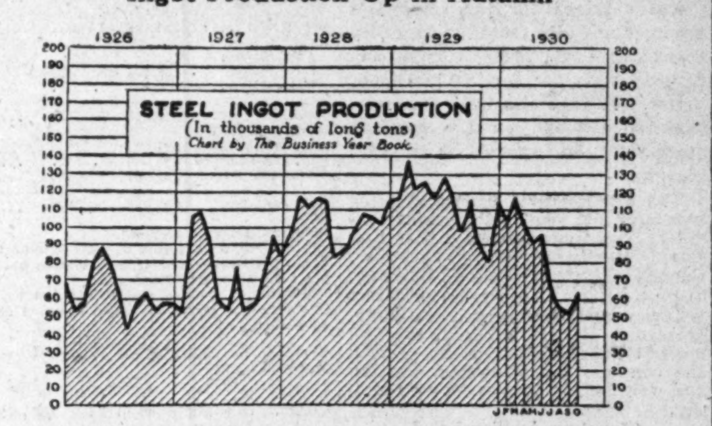
Approach of the two lines in this chart is indicative of the greater efficiency of modernized plants.

Auto Production Up



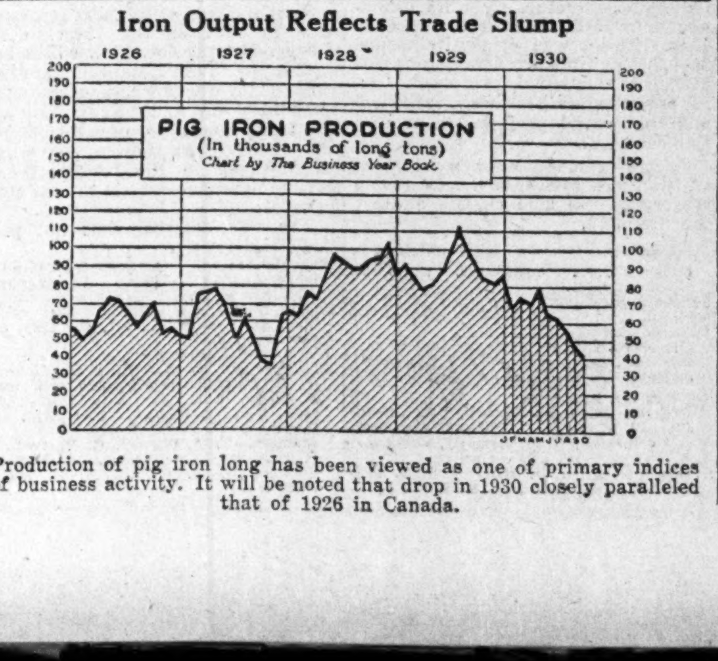
This chart shows the growth of the motor industry to the middle of 1929.

Ingot Production Up in Autumn



This chart is a record of steel ingot production in Canada since 1925.

Iron Output Reflects Trade Slump



Production of pig iron long has been viewed as one of primary indices of business activity. It should be noted that drop in 1930 closely paralleled that of 1926 in Canada.

AUTO TRADE NEAR FUTURE IS BRIGHTER

Present Year Fairly Promising After Period of Slackness

PROBLEMS IN EXPORTS

Australian and New Zealand Fiscal Policies Interfere With Sales of Canadian Producers

Although production in 1930 was more than 41.3 per cent lower than in 1929, the out look for the automobile industry for 1931 is fairly promising. The decreases from 1929 covered nearly every category of open and closed passenger cars and of trucks, only the classification, "freight chassis," showing an increase in production.

The slump in production actually started in May, 1929, when, after the highest peak of production ever reached in Canadian automobile history had been achieved between January and May, the effects of overproduction and a glut in the used car market caused motor car companies to curtail output. A small grain crop in the West followed by the stock market crash in the fall of 1929 combined to aggravate this condition by limiting the automobile market for 1930.

1,200,000 Cars in Canada

There were 1,193,889 motor vehicles registered in Canada at the end of 1929, automobile production for that year reaching a new high record of 262,625 cars.

There has been considerable discussion as to whether or not the automobile industry reached its peak in 1929, but it seems obvious that, as far as Canada is concerned, an increase in highway mileage combined with replacement sales and increased population will send the industry to a new peak within the next decade and probably in the next four or five years.

The virtual closing of the Australian and New Zealand markets during 1930 by higher tariff barriers, in both countries, and by depressed business conditions in Australia, does not augur well for the export trade and while it is expected that new trade agreements will be entered into with these countries it is highly doubtful if business with these countries, particularly Australia, will be as satisfactory as formerly.

Monthly output gives the best current index of the industry's progress for the current year. Complete statistics of the industry during 1930 are, of course, not available until the middle of 1931, but comparison of monthly production figures show that total output has declined to below the 1925 level.

Automobile Production in Canada by Months

	Passenger Cars* 1930	Passenger Cars* 1929	Trucks† 1930	Trucks† 1929
Jan.	8,856	17,164	1,532	4,337
Feb.	13,021	25,584	2,527	5,703
Mar.	17,165	32,838	3,565	7,788
April	20,872	34,392	3,385	7,509
Map	21,251	25,129	3,421	6,430
June	12,194	16,511	2,896	4,981
July	8,556	13,600	1,632	3,861
Aug.	6,946	11,037	2,846	3,177
Sept.	5,617	10,710	2,340	2,941
Oct.	3,201	8,975	1,340	5,548
Nov.	3,527	7,137	1,880	2,237
Dec.	4,225	4,426	1,397	1,089
Total	125,502	207,498	28,750	55,631

*Includes taxicabs and passenger chassis.
†Includes freight chassis.

Domestic consumption of automobiles is complicated by substantial imports, exports and re-exports each year. The steady growth in annual sales of cars in Canada is apparent, however, from the following table:

Apparent Consumption of Automobiles in Canada, 1917-1928

Year	Production	Apparent consumption
1917	93,810	100,407
1918	82,406	82,537
1919	87,835	76,331
1920	94,144	79,725
1921	66,246	62,536
1922	101,007	74,872
1923	147,202	88,666
1924	132,580	84,900
1925	161,970	102,110
1926	204,727	158,577
1927	179,054	157,832
1928	242,054	209,607
1929	262,625	204,967
1930	154,192	132,064

Of the total 1930 production, 45,361 units were exported, this showing a reduction from the previous year of almost 56 per cent. Imports were also on a far smaller scale, the figure being 23,233 units as against 44,724 for 1929. Dollar values of the foregoing figures are not available, but these can be compared for the twelve months ending October 31 of both years.

Imports of automobiles, trucks and parts (except engines and parts) for the 12 months ending October, 1930 were but 58½ per cent in value of those for the preceding 12-monthly period. Thus in 1930 23,779 vehicles entered the Dominion, having a valuation of $21,220,792, while a further $24,121,265 of parts were imported. These figures compare with 45,021 vehicles valued at $39,710,712 and parts to the amount of $47,127,407 in 1929.

Imports From U. K. Increase

Of the total imports, those from the United Kingdom had a value of $659,694 in 1930 as against $349,648 for the same period 1929. Imports from the United States, however, represented 98 per cent of the total at $44,496,401. The latter figure compares with $86,341,989 in the preceding year.

Export shipments for the year ended October 31, 1930, had a value of $22,654,177 this being $26,247,147 lower than for the 12 months preceding, or but 46 per cent thereof. It is, further, approximately $13,000,000 below the exports for 1928. In 1930 exports to other countries included 31,925 cars and 17,166 trucks as against 1929 exports of 67,742 cars and 38,627 trucks. Parts exported had a value of $1,737,515 compared with $2,466,957 in 1929. Shipments to the United Kingdom totalled 2,008 and to the U. S. 340 cars, compared with 7,772 and 263 respectively for the previous year.

DOMINION STEEL AND COAL CO.

(Continued from page 17)

and Nov. Initial dividend paid on Nov. 1, 1921 and quarterly to Feb. 1, 1924. None since.
Second Preference—None paid.
Common——None paid.

Officers and Directors—
Officers—C. B. McNaught, pres.; C. S. Cameron, sec.
Directors—C. B. McNaught, Hon. C. P. Beaubien, Hon. J. P. B. Casgrain, Hon. L. C. Webster, Montreal; Sir N. J. Moore, K.C.M.G., M.P., London; C. S. Cameron, G. H. Duggan, Sir Herbert S. Holt, Geo. H. Montgomery, K.C., Montreal; C. J. Burchell, K.C., Halifax; J. H. Gundy, Toronto; Lord Invernairn, Glasgow; F. W. Ross, Que.; Geo. F. Downs, Richard F. Hoyt, New York.

CONSOLIDATED INCOME & SURPLUS ACCOUNT, YEARS ENDED DEC. 31:

	1929 $	1928 $	1927 $
Net earn.* ...	6,046,647	4,187,403	5,513,761
Less: Depr. depl. and S. F. ..	2,093,344	1,478,017	1,476,013
Bond & deb. int.	1,650,781	1,777,562	1,826,191
Bond discount	75,886	75,886	75,826
Net profit	2,226,636	855,938	2,135,730
Less appropriations: Distr. to coal empl.	124,505	125,018	......
Subs. divs. paid	32,130	6,468	330
Surp. for year	2,070,001	724,452	2,135,401
Add: Prev. surp.	†1,739,697	†2,464,149	†4,599,550
Bal. car. for.	330,304	†1,739,697	†2,464,149

†Deficit.
*After deducting all manufacturing, selling and administrative expenses.

Times Interest Earned:

Before deprec.	3.66	2.36	3.02
After deprec.	2.39	1.52	2.21

Earnings per Share and Dividend Record:

1st pref. "B":			
Earn.	*$22.72	*$10.66	*26.59
Paid	..	..	..

Note—Nothing has been earned on the second preference shares since 1922, and no dividends have been paid on the stock.
*Before making provisions for arrears in dividends.
Note—During the year of 1929, $1,574,576 was from war reparations, $1,447,141 being credited to depreciation reserve and the balance, $127,435, to contingent reserve.

Seven Years' Earnings—

Year	Earnings	Dividends	Surplus
1923	$4,444,346	$1,346,524	$1,031,031
1924	923,775	145,033	*1,326,588
1925	*1,133,443	......	*5,738,019
1926	4,424,118	......	*4,599,550
1927	5,513,761	330	*2,464,149
1928	4,187,403	6,468	*1,739,697
1929	6,046,647	32,130	330,304

*Deficit.

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Com.	3¾	1	6½	1	8½	1
1st Pf. "B"	41	21	42	26	48¼	22
2nd Pf.	8	2¼	14	3¾	11¼	3½

DOMINION STEEL CORPORATION

(Controlled by British Empire Steel)

Capitalization—	Authorized	Outstanding
Preferred	} $50,000,000	$7,000,000
		43,000,000

(Par $100)

Funded Debt—
Serial equipment bonds, 6%, $657,000.

Dividends—
Preferred—6% per annum. Paid regularly to and including Nov. 1924. None since.
Common—None paid.

CONSOLIDATED INCOME & SURPLUS ACCOUNT, YEARS ENDING DEC. 31
(Including Dominion Iron & Steel Co., Ltd.)

	1929 $	1928 $	1927 $
Net earn.*	4,222,609	3,187,516	4,358,114
Less: S. F., deprec. & depl.	1,519,383	1,049,464	1,038,917
Bond and deb. int.	1,065,315	1,182,821	1,227,648
Bonds disc. ..	75,886	75,886	75,826
Net profit	1,562,025	879,345	2,015,723
Less appropriations: Distrib. to coal empl.	91,925	91,692	......
Surp. for year .	1,470,100	787,653	2,015,723
Add: Prev. surp.	6,414,314	5,626,661	†3,610,938
Bal. carr. for.	7,884,414	6,414,314	5,626,661

*After deducting manufacturing, selling and administration expenses.
†After deducting $10,000,000 General Reserve.

Times Interest Earned:

Before S. F., deprec. and depl. ...	3.96	2.69	3.55
After S. F., deprec. and depl. ...	2.34	1.81	2.70

Earnings per Share:

Pref.: Earn.†	$22.31	$12.56	$28.80

None paid.
†Before making provisions for arrears in dividends.
Note—During the year of 1929, $975,042 was received from war reparations, $925,042 being credited to depreciation reserve and the balance, $50,000 to contingent reserve.

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Pref.	52¼	25	48½	34	76⅜	40

NOVA SCOTIA STEEL & COAL

(Controlled by British Empire Steel Corp.)

Capitalization—	Authorized	Outstanding
Preferred	$1,030,000	$1,000,000
Common	15,000,000	15,000,000

(Par $100).
Common all held by Besco.

Funded Debt—
First Mortgage 5% Bonds, due 1959, outstanding, $4,830,592.
Perpetual debenture stock 6% outstanding, $4,978,500.

Dividend Record—
Preferred—8% per annum payable 15 Jan. April, July and October. Dividends paid regularly to Jan. 15, 1924, none since.
Common—None paid since 1921.
Officers and Directors—Same as for Besco with addition of Col. Thos. Cantley, New Glasgow.

CONSOLIDATED INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1929 $	1928 $
Net earn. from oper. ...	1,565,363	569,340
Add: Int. on affil. co's balance	20,896	38,333
Bank interest	....	2,210
Net earnings	1,586,259	607,673
Less: Sink. fund & depr.	499,800	340,741
Bank interest	45,172	....
Bond interest	585,466	594,740
Net profit	455,821	*327,808
Less appropriations: Subsid. pref. divs. ...	225,000	45,042
Distrib. to coal employ.	32,579	33,326
Surplus for year	198,242	*406,176
Add: Previous surplus .	265,647	671,823
Bal. carried forward ..	463,889	265,647

*Deficit.

Times Bond Interest Earned:

After bank int., before deprec.	2.63	1.02
After bank int. & depr.	1.78	0.45

Earnings Per Share:

Preferred: Earned† ..	$45.58	...

None paid.
†Before making provision for arrears in dividends.
Note—During the year of 1929, $599,534 was received from war reparations, $522,098 being credited to depreciation reserve and the balance, $77,436, to the contingent reserve.

Earned	.38	.85	.57

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Pref.	25	22¼	30	30	30	25

ACADIA COAL CO.

(Controlled by N. Steel & Coal Co.)

Capitalization—	Authorized	Outstanding
1st pref. 6%	$2,000,000	$2,000,000
2nd pref. 6%	1,000,000	1,000,000
Common	2,000,000	1,846,100

(Par $100).
Funded Debt—None.
Dividend Record—
First preferred paid in full until 1920; none since.

EASTERN CAR

(Controlled by Nova Scotia Steel & Coal Co.)

Capitalization—	Authorized	Outstanding
Preferred	$1,000,000	$750,000
Common	1,000,000	800,000

(Par $100).
Preferred—6% per annum, cumulative, preferred as to assets and dividends. $107,100 of this stock is publicly held, the remainder being held by Besco.
Common—All held by N. S. Steel & Coal Co.

Funded Debt—
First Mortgage 6% Bonds, due 1952, outstanding, $741,800.

Dividend Record—
Preferred—Accrued dividends paid until Jan. 15, 1921, later payments (if any) not reported. On March 31, 1924, dividends were deferred.
Common—None paid.

LAKE SUPERIOR CORP.

Formation of Algoma Consolidated, a New Holding Company, Plan Will Relieve Organization in Respect to Bond Guarantees of Subsidiaries

Important developments have taken place within the last few months in respect to the situation surrounding Lake Superior Corp. One of the drawbacks to placing this organization on a sound financial footing was the contingent liability in respect to the guarantee of the bonds of the Algoma Central & Hudson Bay Railway and Algoma Central Terminals. In 1929 an agreement was entered in between the company and representatives of the bondholders, but this was no approved by the bondholders.

Negotiations were continued and last month announcement was made that a new agreement had been approved by representatives of the company and the bondholders. in December announcement was made that a new agreement

Under the new plan it is proposed to set up a holding company, to be known as Algoma Consolidated Corp. This concern will have a capitalization of $3,092,550 of 5 per cent income debenture stock; $2,000,000 of 7 per cent cumulative preferred stock and 800,000 shares of no par value common stock.

When the deal is complete Algoma Consolidated will hold $4,123,400 of 5 per cent mortgage bonds of Algoma Central Railways; $318,800 of 6 per cent second mortgage bonds of Algoma Central Railways; 214,585 common shares of the same company; 6,666 shares of Northern Ontario Lands Co.; $5,000,000 of Algoma Steel Corp. common stock; $3,333,333 of Algoma Steel preferred stock; 400,000 common shares of Lake Superior Corp.; and one-third of the cash proceeds of the sale of Algoma Eastern Railway.

Lake Superior Exchange

Lake Superior Corp. shareholders are asked to exchange their stock on the basis of one share of 7 per cent cumulative preferred stock and one share of common stock in the new holding company. Lake Superior turns over to Algoma Consolidated $5,000,000 of Algoma Steel common, $3,333,333 of Algoma Steel preferred stock; 6,666 shares of Northern Ontario Lands, and $318,800, 6 per cent second mortgages of Algoma Central Railways, and its common stock holdings in the last named company.

Lake Superior will retain control of $10,000,000 of Algoma Steel common stock, $6,666,666 of Algoma Steel preferred; $5,800,000 of Algoma Steel purchase money; all the common stock of British America Express; Cannelton Coal, Fiborn Limestone; Lake Superior Coal, Algoma Steel Products, and one-third interest in Northern Ontario Lands.

Railway Capital Reconstructed

Under the scheme of arrangement, the existing $10,080,000 bonds of the Algoma Central & Hudson Bay Railway Co. will be concelled, the $5,000,000 5 per cent non-cumulative preference stocks will be reduced to $500,000 and the $5,000,000 common stock will be converted into 420,755 shares of $10 each.

Bondholders of the railway company will receive $6,185,000 of new 5 per cent first mortgage income securities of the railway company, $3,092,550 of 5 per cent income securities of Algoma Consolidated, trust certificates for 200,000 shares of common stock of Algoma Consolidated, and 106,170 shares of common stock in the railway company.

Algoma Central & Hudson Bay Railway preferred stockholders will get $500,000 of 5 per cent non-cumulative preferred stock.

Terminals Sell Subsidiary

It is proposed that Algoma Central Terminals shall sell the $900,000 of bonds and the $99,300 of shares of Algoma Eastern Terminals held by it to be used in redeeming 40 per cent of its outstanding bonds at 70 per cent of par. The remainder of the issued and outstanding bonds will be exchanged for 615,540 of 5 per cent first mortgage debenture stocks and bonds of the terminal company.

Approval of the terms of the new holding company will free Lake Superior Corp. from the guarantee in respect to the principal and interest of Algoma Central & Hudson Bay Railway and Algoma Central Terminals.

Operating conditions reported by Lake Superior Corp. and its subsidiaries are not much different from those of other iron and steel producers. Equipment and facilities have been improved, however, and the company is now in a position to take advantage of a general up-swing in business, resulting in an increased demand for its principal product—steel.

Capitalization—	Authorized	Outstanding
Common	400,000 shs.	400,000 shs.

No par value.

Funded Debt—
First mortgage 5% bonds, due 1944, outstanding $5,278,000.

Dividend Record—
None paid.

Officers and Directors—
Officers—Frank B. Common, K.C., chairman and pres.; Alex. Taylor, vice-pres. and sec.; J. W. Gemmell, treas.
Directors—Frank B. Common, K.C., F. E. Meredith, K.C., Leonard E. Schlemm, Sir Wm. E. Stavert, Alex. Taylor, Sir Frederick Williams-Taylor, John C. Newman, Montreal; R. Home Smith and Gordon F. Perry, Toronto; W. C. Franz, Sault Ste. Marie; H. C. Coleman, Radcliffe Cheston, Jr., E. Clarence Miller, Philadelphia, Pa.; Major General The Hon. S. C. Mewburn, K.C., Hamilton.

INCOME AND SURPLUS ACCOUNT
Years Ended June 30

	1930 $	1929 $	1928 $
Inc. from sub. cos.	322,500	348,000	297,000
Inc. on adv. to subsid. cos.	....	....	38,500
Int. on bank & other accts..	65,014	4,892	6,985
Other inc. ...	1,778	1,200	2,162
Gross. earn...	389,292	354,092	344,647
Less: Gen. exp.	111,981	84,603	75,716
Net earn. ...	277,311	269,489	268,931
Less: Bont int.	263,900	263,900	263,900
Surp. for yr..	13,411	5,589	5,031
Add: Prev. surplus ..	*7,135,267	*7,251,433	953,168
Amt. res. against adv. to subsids., not required, written back	192,500	....	....
Profit on inc. bonds purch.	....	110,577	....
Less: W/o inv.	....	....	8,209,632
Loss on sale of cap. assets .	44,590	....	....
Inc. bond retirement chgs. .	32,564	....	....
Res. for contingencies ..	50,000	....	....
Bal. car. for'd	*7,056,510	*7,135,267	*7,251,433
Times Int. Earned ...	1.05	1.02	1.02
Earnings per share	$0.03	$0.01	$0.01

*Deficit.

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Com.	15	6⅞	40	7	19	7⅜

Algoma Steel Corporation

(Entirely owned and controlled by Lake Superior Corp.)

Capitalization—	Authorized	Outstanding
Preferred† Par $100.	$15,000,000	$10,000,000
Common† Par $100.	15,000,000	15,000,000

† All owned by The Lake Superior Corporation.

Funded Debt—
Purchase money bonds, 5 per cent, due 1944, outstanding $5,800,000.
First and refunding bonds, 5 per cent, due 1962, $14,858,780. In addition, $5,356,970 are held for sinking fund.

Dividend Record—
Preferred—Paid regularly until June, 1913; none until 1918, when 7 per cent was paid on account of arrears. In 1919 10 per cent on arrears. As at June 30, 1930, prepaid dividends were 14¼ years in arrears. None since.
Common—None paid.

Officers and Directors—
Officers—F. B. Common, chm. of board; W. C. Franz, pres.; J. D. Jones, vice-pres. and gen. mgr.; J. W. Gemmell, vice-pres. in charge of finance; E. W. Shell, treas.; E. Carey, compt.; Alex. Taylor, sec.
Directors—W. C. Franz, J. D. Jones, J. W. Gemmell, Sault Ste. Marie; R. Home Smith, Toronto; H. C. Coleman, Philadelphia, Pa.; F. B. Common, E. Schlemm, Alex. Taylor, Montreal.

GENERAL INCOME AND SURPLUS ACCT.
Years Ended June 30

	1930 $	1929 $	1928 $
Inc. from oper.	2,823,482	3,494,367	1,854,084
Other income	20,894	9,446	6,258
Profit from sale of secs.	48,372	......	......
Total income	2,892,748	3,503,813	1,860,842
Less: Deprec.	1,000,000	1,000,000	670,000
Loss on invest.	......	4,500	42,615
Res. for rebuild. furnaces	......	100,000	......
Net earn.	1,892,748	2,399,313	1,147,727
Less: Int. (other than bond int.)	99,355	154,626	84,962
Bond interest	1,041,833	1,056,605	1,059,209
Surp. for year	751,560	1,188,082	3,556
Less: Prev. deft	2,936,572	2,739,156	2,742,712
Adj. inc. tax	81,448	200,000	......
Adj. depr. res.	......	1,185,500	......
Def. car. for.	2,266,460	2,936,572	2,739,156
Times Bd. Int. Earn.:	1.72	2.12	1.00
Earn. per Share: (Preferred)	$7.52	$11.88	$0.04

ROBERT MITCHELL

Dividend Earned by Safe Margin But Earnings Lower

While the volume of business handled by Robert Mitchell Co. in 1930 was satisfactory, earnings have shown a decline as a result of lower prices obtained for the company's products and also from the necessity of writing down inventories to correspond with the decline in copper prices. It is understood, however, that the dividend on the common stock will be earned by a safe margin.

The architectural bronze division was busy last year and executed contracts in connection with the new Royal Bank Building, Vancouver; Canada Life Assurance Building, Toronto; Bank of Montreal Building, Ottawa, and the Aldred Building, Montreal. Robert Mitchell, through one of its operating divisions, secured the contract for plumbing, heating and ventilating on the latter building.

Structure is Simplified

Robert Mitchell Co. has simplified its capital structure since its securities were offered to the public in 1928. There was originally issued $500,000 of first preferred stock and $100,000 of second preferred. The first preferred has been redeemed and the second preferred converted into common.

Accordingly, the common shares of which there are 70,000 outstanding represents the sole charge against the property.

Capitalization—	Authorized	Outstanding
Common	100,000 shs.	70,000 shs.

No par value.

Funded Debt—
None.

Dividend Record—
Common—$1.00 per share per annum, payable Jan., April, July and Oct. 15. Initial dividend—25c per share paid Oct. 15, 1929.

Officers and Directors—
Officers—Allan M. Mitchell, pres., man.-dir. and treas.; S. C. Holland, vice-pres. and gen. mgr; H. M. Kennedy, vice-pres.; A. Broomer, sec. and compt.
Directors—Allan M. Mitchell, S. C. Holland, A. J. Charlton, H. M. Kennedy, F. Hay, F. B. Common, D. I. McLeod, J. P. Linton, H. J. Roast, Howard Murray.

INCOME AND SURPLUS ACCOUNT

	*1929 $	*1928 $	1927 $
Sales	......	2,982,587	1,720,845
Less: Cost of goods, overhead, etc.	......	2,765,788	1,581,109
Earn. from oper.	......	216,799	139,737
Other income	......	6,089	......
Net earn.	293,483	222,888	139,737
Less: Spec. res.	......	4,776	......
Bad debt res.	......	2,754	......
Depreciation	47,785	42,060	31,868
Inc. tax res.	......	8,356	......
Net profit	245,698	164,942	107,868
Less: Pref. divs. .. } Com. divs. .. }	35,182	......	
Surp. for yr. ..	†210,516	137,113	......
Less: Adj. of 1928 income tax and exp. of stock issue	41,704		
Add: Pr. surp.	222,567	85,454	......
Bal. car. for.	391,379	222,567	......

* Consolidated statement.
† Subject to deduction of 1929 income tax.

Earn. per Share—(After depreciation but before income tax)—
For the purpose of comparison the capital structure has been reduced to common stock equivalents.

	1929	1928	1927
Earnings per share	$4.33	$3.46	$2.45

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Com.	33	18½	66½	24	46½	26

Sawyer-Massey

Sawyer-Massey Ltd., was incorporated in 1927 as the successor to Sawyer-Massey Co., Ltd., which had been a prominent Hamilton manufacturer of threshing machines and road machinery for many years. Investment at present is confined to 16,500 shares of 50,000 outstanding, which were issued to the preferred and common shareholders in the old company.

The new company has not published its report.

Capitalization—	Authorized	Outstanding
Common	50,000 shs.	50,000 shs.

No par value.

Funded Debt—
First mortgage bonds, 6%, due 1942, outstanding, $600,000.

Officers and Directors—
Officers—T. A. Russell, pres., Toronto; H. R. Malley, vice-pres. and gen. man., Hamilton, Ont.; G. R. Cottrelle, vice-pres., Toronto, Ont.; H. R. Gillard, sec.-treas.
Directors—T. A. Russell, G. R. Cottrelle, C. J. Harris, J. F. Lash, J. B. Warnock, Toronto. H. H. Champ, H. R. Malley, Hamilton.

SHERWIN-WILLIAMS

Further Expansion Carried Out in Last Fiscal Period

Though the business depression found some reflection in earnings of Sherwin-Williams Co. of Canada the largest paint manufacturer in the Dominion in the fiscal year ended August 31, 1930, the company carried out considerable expansion. During the year its Winnipeg factory was rearranged, making for greater efficiency, and additional machinery was installed which increased output by 35 per cent.

Further, large areas of mineral deposits near Three Rivers were acquired, which will ensure the company a supply of iron oxide for 35 years. A large part of this product is exported. There is also under construction at the main factory in Montreal, a new building for the manufacture of lacquers, which represents the latest in equipment and machinery for the production of this commodity at a favorable cost. Completion is expected about the middle of 1931.

Activities Are Widespread

Sherwin-Williams' activities are widespread. The company operates factories in Montreal, Toronto, Winnipeg and Vancouver with warehouses located in all principal cities from coast to coast.

In addition to nine paint and varnish plants, the company's facilities include two linseed oil mills, dry color works, pyroxylin lacquer plant, a lead corroding plant and various factories for printing, manufacturing cans, boxes and so forth.

While earnings last year showed a decline as compared with those of 1929, dividends were earned and balance sheet position was maintained. Total assets are valued at $15,,544,637, while the preferred and common shares are the only charge against the property.

An interesting feature of the current year's operations is a substantial reduction recently announced in prices of the company's products. Due to lower prices for raw materials, Sherwin-Williams has cut its paint prices by about 40 cents a gallon, bringing quotations down to around 1913 levels.

Capitalization—	Authorized	*Outstanding
Pref. 7% cum. .... $100 par.	$4,000,000	$3,460,000
Common, shares	225,000	200,000

Preferred has equal voting rights with common.
*The Sherwin-Williams Company of America owns a minority interest in the company's capital stock.

Funded Debt—
None.

Dividend Record—
Preferred—7 per cent per share per annum, cumulative, payable quarterly, last day of Mar., June, Sept. and Dec. Paid regularly since Sept., 1911.
Common—Present rate $1.60 per share per annum, payable quarterly last day of Mar., June, Sept. and Dec. Dividends were paid regularly on the old common stock until change in 1929. Quarterly dividends and bonus of 5c. per share paid regularly since.
Directors—W. Sherwin Cottingham, Maidenhead, Eng., chairman; W. S. Fallis, Ste. Anne de Bellevue, Que.; William C. Cottingham, Westmount, Que.; George A. Martin, Cleveland, Ohio; W. J. White, K.C., D. A. Whittaker and L. C. de Merrall, of Montreal, Que.

CONSOLIDATED INCOME AND SURPLUS ACCOUNT
Years Ended August 31

	1930 $	1929 $	1928 $
Net earn. from oper.	§784,732	1,006,936	1,000,197
Less: Deprec.	104,222	140,881	140,638
Pens. & service awards	20,108	25,191	14,787
Prov. for inc. taxes	28,250	68,750	71,900
Net profits ..	632,152	772,114	772,827
Less appropriations: Pref. divs...	242,025	241,150	240,625
Ord. divs...	360,000	270,000	240,000
Surp. for year	30,127	260,964	292,247
Add: Prev. surplus ..	4,562,729	4,313,067	4,020,826
Bal. car. for.	4,592,856	4,562,729	4,313,067

§Combined earnings for the year together with dividends received out of earnings and accumulated surpluses of associated companies.

Earn. per Share and Div. Record—

Preferred: Earned ..	$18.27	$22.38	$22.47
Paid	7.00	7.00	7.00
Common (old): Earned ..	....	...	13.30
Paid	...	†4.50	6.00
Ordinary: Earned ..	1.95	2.65	...
Paid	1.80	†0.45	...

†Actual payments during the year amounted to $4.50 on the old stock and 45 cents on the new, equivalent to $1.35 on the new ordinary shares.

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Pref.	122	116	130	115	129	120
Com.	39	26	65	34	..	..

DOMINION GLASS

Company Occupies Leading Position in Field of Activity

Dominion Glass Co. is regarded as one of the leaders in the industrial field. For many years it has been the chief factor in the Canadian glass industry, and though new concerns have been formed, the company has been able to make steady headway.

While the report for the fiscal year ended September 30, 1930, showed a reduction in net earnings, profits were sufficient to take care of dividends on the preferred and common shares at the rate of 7 per cent. This dividend has been paid on the preferred since 1913 and on the common since 1923.

Capitalization—	Authorized	Outstanding
Preferred	$3,000,000	$2,600,000
Common	5,000,000	4,250,000

Par $100.

Funded Debt—
1st mortgage 6% bonds, due 1933, outstanding $621,800.

Dividend Record—
Preferred—$7 per annum, cumulative, payable quarterly, Jan., Apr., July and Oct. 1.
Common—$7 per annum, payable quarterly, Jan., Apr., July and Oct. 1.
Directors—Sir Charles Gordon, G.B.E., Hon. Donat Raymond, J. W. King, F. G. Daniels, Ross H. McMaster, Walter Molson, N. M. Yuile, Montreal; Ralph King, Toronto; F. W. Ross, Quebec.

CONSOLIDATED INCOME AND SURPLUS ACCOUNT, YEARS ENDED SEPT. 30

	1930 $	1929 $	1928 $
Net profit	506,809	604,213	608,912
Less appropriations: Pref. div. ..	182,000	182,000	182,000
Com. div. ..	297,500	297,500	297,500
Sur. for year .	27,309	124,713	129,412
Add: Prev. sur.	1,428,391	1,303,668	1,174,256
Bal. carr. for.	1,455,690	1,428,381	1,303,668

†After provision for bad debts, reserve for depreciation and, in 1928 the amount written off patents, trademarks and goodwill.

Times Bond Interest Earned:

After deprec. and amount writ. off patents, etc.	13.01	13.28	11.91

Earnings Per Share and Dividend Record:

Pref. Earn. ...	$19.49	$23.24	$23.42
Paid	7.00	7.00	7.00
Com.: Earn. ..	7.64	9.93	10.05
Paid	7.00	7.00	7.00

Market Record—

	1930 H	1930 L	1929 H	1929 L	19928 H	19928 L
Com.	141	98	220	120	163	122
Pref.	122	114	125	115	130	119

CANADA CEMENT CO.

Operating Economies and Efficiency Enable Company to Make Good Showing Despite Lower Sales in Last Fiscal Year

Canada Cement Co. succeeded in keeping its earnings in the fiscal year ended November 30, 1930, at a good level despite the business depression. Sales, both domestic and export, fell below those of the previous year but increased efficiencies and economies in production and distribution, enabled the company to offset this to a considerable extent.

The company is the largest factor in the cement industry in Canada and handles about four-fifths of the total Canadian cement business. Since its formation in 1927 substantial sums have been turned back into the property and various plant improvements and additions have been undertaken.

Stock Position Improved

While the common shares have not yet developed an appreciable earning power, equity back of this stock is steadily being strengthened. First mortgage bonds and preferred stock issues are gradually being reduced, while substantial sums are set aside each year for various reserves.

Capitalization—	Authorized	Outstanding
Common .... No par value.	750,000 sh.	600,000 sh.
Preference ..... Par Value $100 and $5.	*$25,000,000	$20,980,500

*Of which $13,000,000 in $100 par value shares were offered in Canada and United States, and $8,000,000 in $5 per value shares were issued in London, England.

Funded Debt—
First mortgage 5½% bonds, series "A," due 1947, outstanding $19,600,000.
In addition the company had outstanding as at Nov. 30, 1930, purchase money obligations amounting to $1,200,000, payable $300,000 per year.

Dividend Record—
Preferred—6½% cumulative from Dec. 1, 1927, payable quarterly March 31, June 30, Sept. 30, and Dec. 31.
Common—None paid on new shares.

Officers and Directors—
Officers—J. D. Johnson, pres. and gen. mgr.; H. L. Doble, vice-pres. and comptroller; F. B. Kilbourn, gen. supt.
Directors—F. P. Jones, A. C. Tagge, Montreal; H. J. Fuller, New York; R. E. Webster, Maitland, Ont.; D. M. Butchart, Owen Sound; Hon. C. C. Ballantyne, G. W. Allan, K.C., Winnipeg; H. L. Doble, Montreal; Gordon C. Edwards, Ottawa; E. M. Young, Allentown, Pa.; T. A. Russell, J. H. Gundy, Toronto; Hon. J. P. B. Casgrain, Sir Herbert S. Holt, J. D. Johnson, Montreal.

INCOME AND SURPLUS ACCOUNT

	Year Ended Nov. 30 1930 $	Year Ended Nov. 30 1929 $	11 Mos. Ended Nov. 30 1928 $
Gross earn. ...	5,187,495	5,209,833	4,673,773
Less: Deprec. .	2,055,344	2,038,717	1,598,873
Bond int. ...	1,098,167	1,100,000	1,100,000
	2,033,984	2,071,116	1,974,900
Less reserves: Fire insur. ..	160,507	154,519	152,950
Extra. repairs & ren.	25,000	25,000	25,000
Cloth sacks outstand. ...	......	......	150,000
Indust. accid.	18,400	24,500	20,000
Conting. res.	250,000	250,000	230,000
Pref. stock sink. fund	14,062	16,395	2,077
Net profit	1,566,015	1,600,702	1,394,874
Less approp: Pref. div. ...	1,363,733	1,364,870	1,365,000
Sur. for per. ..	202,282	235,832	29,874
Add: Pre. sur.	6,669,610	6,433,778	6,403,904
Bal. carr. fwd.	6,871,892	6,669,610	6,433,778

Times Bond Interest Earned:

After deprec.	2.85	2.88	2.80

Earnings Per Share and Dividend Record:

Pref. ($100 par value):			
Earned	$7.46	$7.62	$6.64
Paid	6.50	6.50	6.50
Common: Earned	0.33	0.39	0.05
Paid	..	..	..

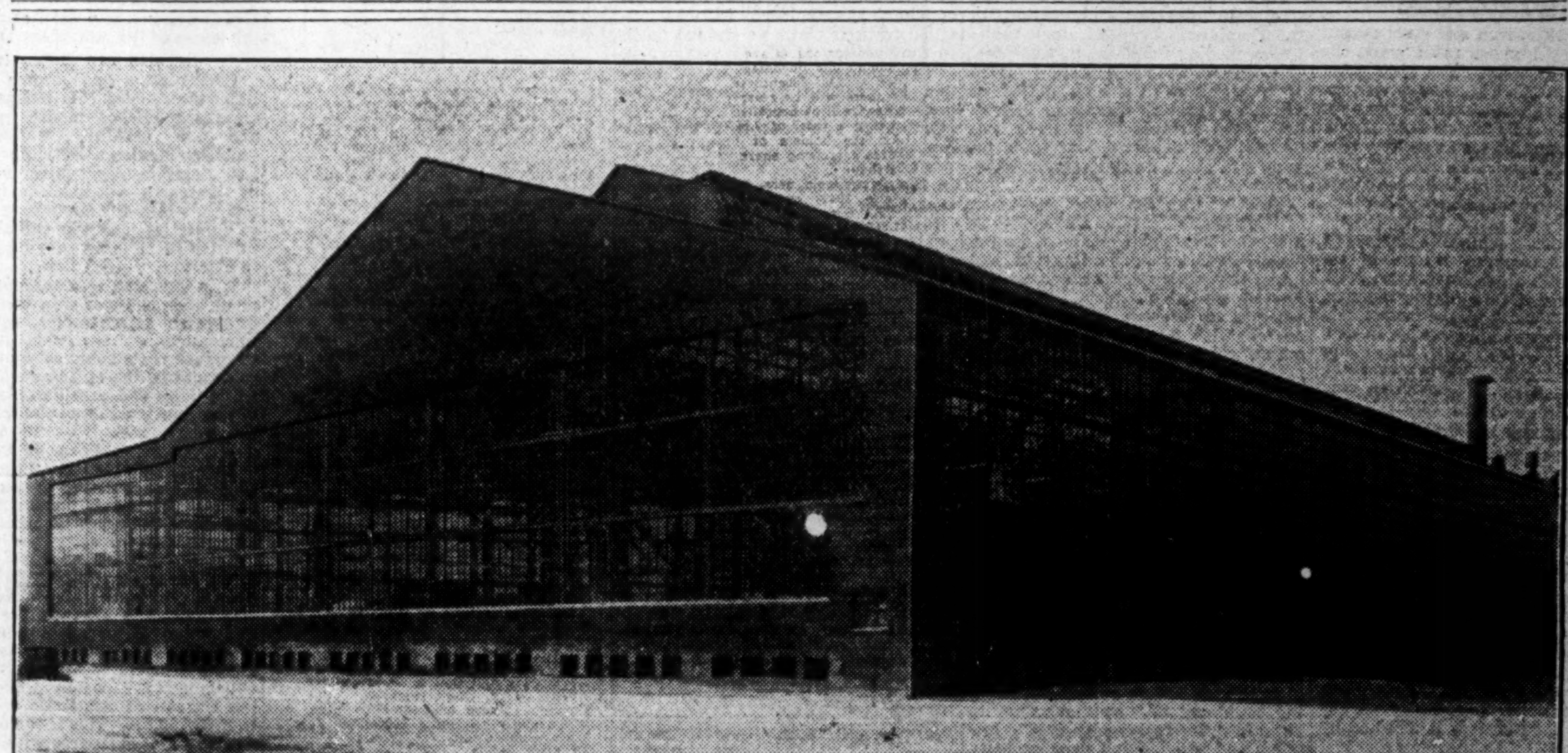
Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Common ..	19½	11⅞	36	14	34⅞	28
Preferred ..	98	90	99¾	90	100	97

A. Belanger, Ltee.

Funded Debt—
6 per cent first mortgage bonds, dated Feb. 1, 1928; due 1930 to 1948. Authorized, $600,000; issued, $600,000.

Officers and Directors—
Officers—Hon. D. O. L'Esperance, pres.; M. P. Béchard, vice-pres. and gen. mgr.
Directors—Hon. D. O. L'Esperance, M. P. Béchard, M. Rousseau, D. Paquet, and J.-A.-N. Proulx.



60% Increase in Industrial Construction

WE ARE now doing 60% more construction work for industrial companies than we were a year ago; indicating that many manufacturers are taking advantage of present favourable construction conditions to build replacements and new plants.

Construction costs are lower today than at any time during the past eight years. Out-of-date manufacturing facilities—old buildings with inefficient routing and layout—may be replaced now at lower cost than formerly.

Our services as engineers and builders—to execute both engineering design and construction or to build from the plans of other engineers or architects—are available to those contemplating new manufacturing warehouse or power facilities.

UNITED ENGINEERS & CONSTRUCTORS (CANADA) LIMITED
Design and Construct
INDUSTRIAL PLANTS
STEAM POWER STATION
HYDRO-ELECTRIC DEVELOPMENTS
RAILROAD WORK
GAS PLANTS
Build
APARTMENTS
HOTELS
OFFICE AND MONUMENTAL BUILDINGS

UNITED ENGINEERS & CONSTRUCTORS (CANADA) LIMITED
Dominion Square Building MONTREAL
Canadian Bank of Commerce Building TORONTO

MAXIMUM RETURN TO CLIENTS PER DOLLAR INVESTED

DOMINION BRIDGE CO.

Further Expansion Carried Out and Earnings Maintained at Satisfactory Level Despite Contraction in Constructional Activity

The wide operating scope of Dominion Bridge Co., which has assumed national proportions in the past three years, has enabled it to withstand depressed business conditions. Earnings showed a moderate decline in the fiscal year ended October 31, 1930, but dividends were earned by a comfortable margin.

Last year the company began to realize on the expansion programme undertaken in 1929. The new plant at Burnaby, Vancouver, started operations in May, 1930, and rapidly attained a good production rate. The plant is now operating at capacity and has considerable unfilled tonnage on its books. At Calgary the new plant started operations in January, 1930, and was also well occupied for the balance of the year.

Acquired Manitoba Bridge

A feature of the year's operations was the acquisition of the Manitoba Bridge & Iron Works in January, 1930, on a share exchange basis. This involved the issue of 62,471 shares in exchange for 124,942 shares of the 125,000 shares of Manitoba Bridge outstanding, the remaining 58 shares being purchased for cash.

To what extent Dominion Bridge has diversified its operating activities is seen in a comparison of percentage of total output for individual plants in the past two years:

	1930 %	1929 %
Lachine	32.1	44.8
Toronto	17.7	22.0
Winnipeg	25.6	18.3
Calgary	2.5	...
Vancouver	19.3	10.0
Amherst	1.0	1.1
Ottawa	1.8	3.8

Expansion in West

Further expansion in the west was accomplished when the Riverside Iron Works of Calgary, acquired by Dominion Bridge in 1929, secured a 60 per cent share interest in the Standard Iron Works of Edmonton, which carries on a local business of the same character as Riverside Iron. Dominion Bridge purchased addtional property adjoining the Edmonton plant and a warehouse to supply local requirements is being established on the properties.

Dominion Bridge is the leading factor in the structural steel industry in Canada. The company manufactures steel and iron bridges, cranes, marine boilers and structural steel of all kinds. Through its subsidiary, Dominion Engineering Works, and controlled units, it manufactures all types of papermaking and hydraulic machines, and hydro-electric machinery.

Dominion Engineering Profitable

Operations of Dominion Engineering Works have been an important factor in the structure of the parent organization. Dominion Bridge owns 57 per cent., or 71,250 shares, of this subsidiary's common stock. A dividend of $4 a year is paid on the shares, resulting in an annual revenue to Dominion Bridge of $285,000.

Though earnings and sales in the last fiscal year showed some decline, the balance sheet position of Dominion Bridge at October 31, 1930, revealed a marked improvement. Call loans were outstanding to the extent of $2,450,000, Dominion and other bonds were valued at $1,141,604 and cash stood at $1,738,308.

Capitalization— Authorized Outstanding
Common 600,000 shs. 513,951 shs.
No par value.

Funded Debt—
The company has no funded debt but in 1928 assumed the liability in respect of $600,000, 6 per cent first mortgage bonds and $285,000 of second mortgages of McGregor-McIntyre Structural Steel, Ltd., due Feb. 15, 1948. As at October 31, 1930, the amount remaining outstanding totalled $770,000.
The Manitoba Bridge and Iron Works, Ltd., acquired in 1930, has an issue of 5½ per cent first mortgage sinking fund bonds due June 30, 1938, amount of which outstanding as at Oct. 31, 1930, was $230,000.

Dividend Record—
Common—$3.60 per annum payable quarterly, Feb., May, Aug. and Nov. 15.
During the fiscal year, 1928, quarterly dividends of 65 cents per share were paid with a bonus of 20 cents per share for the year. On May and Aug. 15, 1929, quarterly dividends of 75 cents per share were paid and on Nov. 15, 1929, a quarterly dividend of 90 cents per share was paid, placing the shares on an annual basis of $3.60 per year.

Officers and Directors—
Executive Officers—G. H. Duggan, pres. and man. dir.; N. W. Warren, vice-pres. and gen. mgr.; L. R. Wilson, vice-pres. in charge of operations; W. Taylor-Bailey, vice-pres. in charge of sales; F. W. Evens, sec.-treas.; F. P. Shearwood, chief engineer.
Directors—G. H. Duggan, pres.; W. F. Angus, vice-pres.; Julian C. Smith, vice-pres.; A. J. Brown, K.C., Norman J. Dawes, A. A. Hodgson, Sir Herbert S. Holt, J. W. McConnell, Howard Murray, C. E. Neill, H. H. Vaughan, all of Montreal; W. G. Murrin, W. J. Blake Wilson, Vancouver; C. B. McNaught, C. H. Carlisle, Toronto; P. Burns, Calgary; G. W. Allan, K.C., Winnipeg.

CONS. INCOME & SURPLUS ACCOUNT
Years Ended October 31

	1930 $	1929 $
Net earnings§	2,388,814	2,639,832
Less: Deprec.	400,000	400,000
Net profit	1,988,814	2,239,832
Less appropriations:		
Dividends	1,812,167	1,227,580
Res. for plant extension and betterments	......	300,000
Surp. for year	171,647	712,252
Add: Prev. surp.	4,194,857	3,582,605
Bal. car. for.	4,366,504	4,194,857

§Profit from contracts, interest and dividends received on investments and miscellaneous earnings, after allowing for interest, federal taxes and all other charges.

Earn. per Share and Div. Record:

Common, new (n.p.v.):		
Earned	$3.86	$5.46
Paid, divds.	3.60	3.05

Ten Years' Earnings—

1921	$378,693	$520,000	$3,671,838
1922	54,661	260,000	3,466,500
1923	290,684	260,000	3,230,103
1924	263,820	260,000	3,233,923
1925	*53,136	260,000	2,920,788
1926	439,071	260,000	3,099,859
1927	926,155	650,000	3,246,013
1928	1,520,824	970,937	3,482,606
1929	2,239,832	1,227,580	4,194,857
1930	1,983,814	1,812,167	4,366,504

*Deficit. † After depreciation.

Market Record—

	1930 H	1930 L	1929 H	1929 L	1828 H	1828 L
Com.	83	44½	117½	54	101½	61½

RIVERSIDE IRON WORKS
(Subsidiary of Dominion Bridge)

Funded Debt—
First mortgage 7% bonds, due 1947, outstanding, $202,500.
Officers and Directors—S. W. Campbell, pres.; F. L. Irving, manager; C. P. McIntosh, sec.-treas.

MANITOBA BRIDGE & IRON WORKS
(Wholly-owned by Dominion Bridge Co.)

Capitalization— Authorized Outstanding
Common 250,000 shs. *125,000 shs.
No par value.

*All held by parent company.

Funded Debt—
1st mortgage 5½ per cent bonds, due 1938, outstanding $230,000.

Dividend Record—
In 1928 on old $100 par value stock, a dividend of 8 per cent with 2 per cent bonus was paid. An initial dividend of 50 cents per share on the new no par value common shares was paid July 25, 1929. A dividend of 70 cents per share was paid Jan. 3, 1930.

Officers and Directors—
Officers—T. R. Deacon, pres.; H. B. Lyall, vice-pres. and gen. mgr.; W. Stuart, sec.; E. J. Burleigh, treas.
Directors—T. R. Deacon, H. B. Lyall, W. T. Gwyn, E. F. Haffner, F. L. Patton, R. J. Gourley, H. A. Mackay, Winnipeg, Man.; John I. McFarland, Calgary, Alta.

DOM. ENGINEERING

Hydro-Electric Expansion Reflected in Company's Operations

Construction of hydro-electric developments, which has been continued on a broad scale throughout the past year, has found reflection in operations of Dominion Engineering Works. The company manufactures hydraulic and hydro-electric machines, pulp and paper machinery, mining machinery and operates a general heavy foundry business.

Recent orders include contracts for three 19,000 h.p. turbines for the West Kootenay Power Co.; a 34,000 h.p. turbine for the Gatineau Power Co. and four 38,000 h.p. turbines for Shawinigan Water & Power Co.

Secures Beauharnois Order

Early in 1930 the company was awarded a $1,500,000 contract for water wheels by Beauharnois Power Corp., while it has secured further substantial orders from the Ottawa Valley Power Co., which is constructing a hydro development at Chats Falls.

While no figures on earnings were published during 1930, it is expected that the report for last year will compare favorably with 1929. The present dividend rate has been maintained since 1928 and it is expected that disbursements will be covered by a fair margin.

Capitalization— Authorized Outstanding
Common 125,000 shs. 125,000 shs.
No par value.
Approximately 57 per cent of stock owned by Dominion Bridge Co.

Funded Debt—
None.

Dividend Record—
Common—$4 per share per annum, payable quarterly, Jan., Apr., July and Oct. 15. Initial dividend at this rate was declared payable on April 15, 1929.
The following dividend payments had been made previously: July 31, 1926, 3%; Jan. 10, 1927, 3%; April 1, June 30 and Oct. 3, 1927, 2% each; Jan. 15, 1928, on new no par value shares, 50 cents; April 15, 1928, 65 cents; July 15, 1928, 75 cents; Oct. 15, 1928, 75 cents; Jan. 15, 1929, 75 cents plus 50 cents bonus. Thereafter regularly at $1 per share quarterly.

Officers and Directors—
Officers—G. H. Duggan, pres.; A. J. Brown, K.C., vice-pres.; Julian C. Smith, vice-pres.; H. G. Welsford, gen. man.; F. W. Evens, sec.; J. S. Houston, treas.
Directors—G. H. Duggan, Julian C. Smith, A. J. Brown, K.C., W. F. Angus, Sir Herbert Holt, Howard Murray, F. L. Wanklyn, Hon. Smeaton White, all of Montreal; Geo. Chahoon, Jr., Grand'Mere, P.Q.; H. Birchard Taylor, Philadelphia, Pa.; Lt.-Col. John H. Price, Quebec.

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1929 $	1928 $
Net earnings§	924,143	1,134,672
Less: Depreciation	205,653	210,281
Res. for conting.	......	100,000
Res. for compensation	9,000	50,000
Net profit	709,490	774,391
Less appropriations:		
Dividends	500,000	353,832
Bonus	......	62,500
Surplus for period	209,490	348,059
Add: Prev. surplus	1,259,540	901,481
	1,469,030	1,259,540

§Representing profits from contracts, interest on investments and miscellaneous earnings after providing for income tax.

Earn. per Share and Div. Record:

Earned	*$5.68	*$6.19
Paid	*4.00	*2.90+*50c

*On new no par value common shares.

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Common	82	49	113	58½	115	52

CHARLES WALMSLEY & CO.
(Entirely owned by Dominion Engineering Works, a subsidiary of Dominion Bridge Co.)

Capitalization— Outstanding
Common $1,400,000
Par $100.
All owned by Dominion Engineering Works.

Funded Debt—
First mortgage 6 per cent bonds, due 1943, outstanding $860,500.

Dividend Record—
None paid.

Officers and Directors—
Officers—G. H. Duggan, pres.; Julian C. Smith, vice-pres.; H. G. Welsford, vice-pres. and mgr.; L. P. Ledden, J. S. Houston, treas.
Directors—G. H. Duggan, Julian C. Smith, H. G. Welsford, C. W. Allen, A. J. Brown, Sir H. S. Holt, W. C. Pitfield, all of Montreal; J. H. Price, Quebec, P.Q.

T. E. BISSELL CO.

Comparatively Small Company With Good Record

T. E. Bissell Co., which manufactures farm implements of various types but specializes particularly in disc harrows, passed the quarterly common dividend usually payable January 1, 1931, as a result of reduced business because of the decline in the purchasing power of the farmer. It was stated that the directors wished to conserve the liquid resources of the company in view of the uncertainty in the Canadian West, which is the company's most extensive market.

Capitalization— Authorized Outstanding
Pref. 7% cum. conv. ($100 par) $300,000 $201,800
Com. (n.p.v.) †20,000 shs. 10,165 shs.
†Of the remaining unissued common stock, 6,054 shares are held for issue on conversion of preferred stock.

Funded Debt—None.

Dividend Record—
Preferred—7 per cent per annum, cumulative, payable quarterly Jan., Apr., July and Oct. 1. Initial quarterly dividend of $1.75 paid Oct. 1, 1928, and regularly since.
Common—$2 per annum, payable Jan., Apr., July and Oct. 1. Initial dividend of 50c. paid April 1, 1929, and quarterly to and including Oct., 1930; since passed.
Directors—T. E. Bissell, Guelph, Ont.; T. C. Wardley, Elora, Ont.; S. R. Mackellar, R. W. Gouinlock and Ward Wright, Toronto.

INCOME AND SURPLUS ACCOUNT
Years Ended May 31

	1930 $	1929 $
Net profit†	30,152	79,199
Less appropriations:		
Pref. dividends	15,147	16,041
Com. dividends	20,248	5,000
Surplus for year	*5,243	58,158
Add prev. surplus	58,158	......
Less: Organ. acct.	1,250	......
Bal. car. forward	51,665	58,158

* Deficit. † After depreciation, govt. taxes and reserve for doubtful accounts.

Earn. per Share and Div. Record:

Preferred:		
Earned	$14.94	$31.68
Paid	7.00	7.00
Common:		
Earned	1.48	*6.17
Paid	2.00	$.50

* After deduction of a full year's dividend of $17,500 on the preferred stock.

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Com.	22	14	51	21	36½	30
Pref.	77	88	150	94¼	110	102

DOMINION TAR

Progress Marked by Wide Expansion Since Inception

Corporate history of Dominion Tar & Chemical Co., since its inception in 1929, has been marked by consistent expansion. Additional subsidiaries have been acquired, new plants have been built, and existing units have been enlarged. The company to date has published but one annual report which revealed satisfactory earnings.

Dominion Tar & Chemical owns and controls through subsidiaries six tar plants and thirteen creosoting plants. These units are distributed throughout various parts of Canada, and the company's operations have assumed a national aspect.

Make Roofing Products

In addition to these activities, the company controls Alexander Murray & Co., and Canada Roof Products which are engaged in the marketing of building materials, such as tarred felts and prepared roofings. Another subsidiary, Fibre Conduits, Canada, Ltd., manufactures heavy fibre conduit and accessories, which are distributed to public utility companies in substantial quantities. Raw material requirements of these units create an outlet for products of the parent company.

New Creosoting Units

During the past year new creosoting units were brought into production at Swift Current and New Westminster, while the creosoting plant at Vancouver was enlarged to increase its capacity by about 50 per cent.

In June, 1930, Calders, Canada, Ltd., was added to the chain of creosoting plants. This company operates at Sioux Lookout, Ont., and is engaged in the processing of ties, poles and various kinds of lumber.

Strengthens Industrial Position

Through this steady expansion, Dominion Tar and Chemical has consolidated its position as the dominant factor in the creosoting industry in Canada. The uses for creosoted timber are steadily increasing, though the demands of the railroads for ties still constitute the major factor in operations.

Capitalization— Authorized Outstanding
Preferred $7,500,000 $5,035,000
Par $100.
Common *300,000 sh. 273,184 sh.
No par value.

*20,000 common shares are reserved for the exercising of the purchase rights attached to the series "A" debentures, and 6,816 unissued shares will be reserved and 684 issued shares will be deposited with the trustee, making a total of 7,500 shares available for the holders of the series "B" debentures exercising share purchase right.

Funded Debt—
Sinking fund gold debs. 6 per cent series "A," due 1949, outstanding $4,000,000; series "B," 6 per cent, due 1949, outstanding $1,500,000.

Dividend Record—
Preferred—6½ per cent per annum, payable quarterly on Feb., May, Aug. and Nov. 1. Initial payment of $1.62½ paid on May 1, 1929. Paid regularly since.
Common—None paid.

Officers and Directors—
Officers—Lionel O. P. Walsh, pres.; Richard V. Look, vice-pres.; D. S. Thomas, sec.-treas.
Directors—Sir Herbert S. Holt, R. D. Bell, E. G. Jackson, R. F. Dodd, Richard V. Look, Lionel O. P. Walsh, Montreal, P.Q.; J. H. Gundy, Toronto, Ont.; A. E. Whitmore, Regina, Sask.

CONSOLIDATED INCOME AND SURPLUS ACCOUNT
Year Ended December [illegible]

Net earnings*	[illegible]
Less: Depreciation	[illegible]
Deb. interest†	[illegible]
Contingency reserve	[illegible]
Res. for inc. tax	[illegible]
Net profit	[illegible]
Less appropriations:	
Preferred dividends	[illegible],125
Surplus for year	551,678
Times Debenture Interest Earned:‡	
After depreciation	4.87
Earn. per Share and Div. Record:††	
Preferred: Earned	$18.39
Paid	$6.50
Common: Earned	2.34
None paid.	

*After operating, management and selling expenses. Earnings applicable to minority share interests not included.
†Interest for 11 months only.
‡Based on full year's debenture interest, $240,000.
§Includes dividend payable for the quarter ending January 31, 1930.
††Based on shares outstanding as at December 31 as noted below.

Market Record—

	1930 High	1930 Low	1929 High	1929 Low
Common	23	9¾	34	17
Preferred	97	88⅝	91½	85

KELVINATOR

Canadian Company Has Brought Losing Venture to Profitable Condition

Kelvinator of Canada, which manufactures Kelvinator and Nizer electric refrigeration units at its plant at London, Ont., for Canadian consumption and export throughout the British Empire, has brought what was in 1927 more or less a losing venture to be an increasingly profitable undertaking. It has been one of the few companies which has been able to improve its position in the last year of depressed business and, although it has a lot of lost ground to recover before it can repay its parent company, Kelvinator Corp., Detroit, for the 13 quarterly preference dividends paid under its guarantee by the parent company from Aug. 15. 1927, to Aug. 15, 1930, inclusive, it has a promising situation.

Capitalization— Authorized Outstanding
Preferred $800,000 $663,000
Par $100.
Common 100,000 shs. 100,000 shs.
No par value.

Funded Debt—
None.

Dividend Record—
Preferred—7 per cent per annum cumulative, guaranteed, payable quarterly, Feb., May, Aug. and Nov. 15.
Dividends at the rate of 7 per cent per annum have been paid regularly since initial payment made May 15, 1926. Payments since, and including quarterly payment of Aug. 15, 1927, have been paid by the parent company Kelvinator Corp., Detroit, under its guarantee.
Common—None paid.

Officers and Directors—
Officers—George W. Mason, pres.; H. A. Lewis, vice-pres. and treas.; F. S. McNeal, gen. mgr.; Merlin Wiley, sec., Detroit, Mich.; G. V. Egan, asst. sec.; Howard Gray, asst. treas.
Directors—A. E. Ames, chm. of board; C. B. McNaught, Toronto, Ont.; A. T. Little, London, Ont.; D. O. Bull, Brampton, Ont.; A. H. Goss, Howard A. Lewis, George W. Mason, Merlin Wiley, Detroit.

Income and Surplus Account
Years Ended Sept. 30

	1930 $	1929 $	1928 $
Profit*	80,593	51,397	6,156
Add:			
Dis. on red. of pref.	17,510	......	......
Surp. for year	98,103	51,397	6,156
Prev. deficit	138,216	139,094	145,250
Exp. and loss re sub. co.	......	50,812	......
Def. car. for.	40,113	138,509	139,094

* After provision for depreciation and income tax.

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Com.	11	2	12¾	5	14	5
Pref.	90	73	85	70	88	65

CANADIAN DREDGE & DOCK

Company in Current Year is Earning Dividend by Comfortable Margin—Has Good Record of Growth in Recent Years

Canadian Dredge & Dock, which has been engaged since 1906 under this and other names in general dredging works, the construction and improvement of harbors, canals, breakwaters and canal facilities and other marine works on the Great Lakes—St. Lawrence waterways, has had an active season in 1930. Profits in the fiscal year ending January 31, 1931, may not prove to be quite as high as in the preceding year, but it is reported officially that the dividend has been earned by a substantial margin. Moreover, there has been no sacrifice of financial position in securing this result.

The company entered into 1931 with good results for active work. It has secured a sub-contract from General Dredging Contractors for a portion of the work of deepening the channel of the St. Lawrence River from Montreal to tidewater for the accommodation of ocean vessels up to 20,000 gross tons or more. The waterway is to be 35 feet deep, 500 feet wide on the straight course and 1,000 feet on the curve. The work is expected to be finished in four years.

The company has no funded debt, and by January 31, 1930, the preferred stock has been reduced from $1,500,000 at the end of 1927 to $85,900. At the same time common stock had increased from $50,000 to $1,464,100, on the company's balance sheet mainly because of the convertible provision by which preferred shares can be converted into common on the basis of three shares of common stock to one share of preferred. Under this arrangement $3 dividends on common have been an attractive invitation to the holder of 7 per cent preferred stock to exchange.

The company has still work to do on section number 7, Welland Canal, which will keep a large proportion of the plant fully engaged for a part of 1931.

Capitalization— Authorized Outstanding
Preferred †$791,700 $291,700
Par $100.
Common *150,000 shs. 92,423 shs.
No par value.
†Being original authorization of 20,000 shares less 14,141 shares converted and cancelled.
*60,000 shares to be renewed against the conversion privilege of the preferred.

Funded Debt—
None.

Dividend Record—
Preferred—7% per annum, payable quarterly, Feb., May, Aug. and Nov. 1. Initial dividend of 1¾% paid May 1, 1928 and regularly since.
Common—$3 per annum payable quarterly, Feb., May, Aug. and Nov. 1. Initial dividend of 50 cents and bonus of 25 cents paid Nov. 1, 1928. Regular quarterly dividend of 75 cents paid Feb. 1, 1929 and quarterly since.

Officers and Directors—
Officers—W. E. Phin, chairman of the board; D. S. Pratt, pres. and mgr. dir.; Y.W. Grant, vice-pres.; T. C. Luke, sec.-treas.
Directors—W. E. Phin, chairman of the board, Hamilton, Ont.; D. S. Pratt, F. W. Grant, Midland, Ont.; W. J. Sheppard, Waubaushene, Ont.; Major-Gen. S. C. Mewburn, K.C., C.M.G., Hamilton, Ont.; Frank M. Ross, Montreal, Que.; D. I. McLeod, John E. Russell, Toronto, Ont.; A. R. Dufresne, Perth, Ont.; L. A. Merlo, Windsor, Ont.

CONSOLIDATED INCOME AND SURPLUS ACCOUNT
For Years Ended January 30

	1930 $	1929 $
Net earn. after deprec.	439,906	629,949
Less: Res. for inc. tax	50,000	......
	389,906	629,949
Less appropriations:		
Pref. dividends	8,048	80,327
Common dividends	274,652	106,664
Surplus for year	107,206	442,958
Add previous surplus	442,958	......
Bal. carried forward	550,164	442,958
Earn. per Share and Dividends Paid:		
Preferred: Earned	$453.91	$215.95
Paid	7.00	7.00
Common: Earned	4.13	6.37
Paid	3.00	1.50

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Com.	43	22	90	33	67½	34
Pref.	..	..	260	162	197	117

CANADA IRON

Control of Company Passes to New Group

Canada Iron Foundries Ltd., manufactures car wheels, cast iron pipes, brake shoes and castings of all kinds. Plants are located at Three Rivers, Fort William, St. Thomas, Hamilton, Londonderry and Annapolis, N.S. and Bathurst and Newcastle, N.B.

Since the majority of the stock has been taken off the market, public investment interest in Canada Iron Foundries is now small.

Capitalization— Authorized Outstanding
Preferred $4,500,000 $3,877,800
Common 1,800,000 1,598,900

Funded Debt—
First mortgage 6 per cent debentures, due 1939, outstanding $506,000.

Dividend Record—
Preferred—Entitled to 6 per cent per annum, non-cumulative, 5 per cent paid April 15, 1929; 6 per cent paid May 10, 1930.
Common—A dividend of 3 per cent was paid May 10, 1930, and 1½ per cent paid Sept. 15, 1930.

Officers and Directors—
Officers—F. Perry, chairman; C. L. Jobb, pres.; W. J. Langston, vice-pres. in charge of operations; B. V. Atkinson, sec.-treas.
Directors—F. Perry, J. T. McCall, C. L. Jobb, T. McC. Hutchinson, Montreal; F. B. Richards, Cleveland, Ohio.

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1929 $	1928 $	†1927 $
Total net earn.	618,597	459,524	501,034
Less: Deprec.	195,059	195,059	243,824
Deb. in. & S.F.	30,360	31,980	72,754
Net profits	393,178	232,485	184,456
Less appropriations:			
Pref. divds.	232,668	193,890	155,112
Com. divds.	47,967	......	......
Surp. for year	112,543	38,595	29,344
Add: Prev. surp.	37,095	34,199	4,854
Less: Trans. to res.	......	35,698	......
Bal. car. for.	149,638	37,095	34,198

† Fiscal year changed. 15 months period Sept. 30, 1926, to Dec. 31, 1927.

Times Debenture Interest and Sinking Fund Earned:

After deprec.	13.95	8.27	3.54
Div. Record and Earn. per Share:			
Pref.: Earned	10.14	6.00	4.76
Paid*	6.00	5.00	4.00
Com.: Earned	10.04	...	...
Paid*	3.00	...	...

* Appropriated but not paid until next fiscal year.

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Com.	70	40	65	28	32	27
Pref	90	70	90	78¼	80	60½

PAGE-HERSEY TUBES

Manufacturing Pipes and Tubing for Practically All Industrial Purposes, Company Has Forged Its Way Into Front Rank of Canadian Companies

When Page-Hersey Tubes' annual report for 1930 appears early in February, it will show that the company has given an exceedingly good account of itself from the operating standpoint in a year of major business depression. It has been officially stated that although profits are likely to be a little behind 1929, the peak year, they will be ahead of 1928.

By its financial policy, closely allied to the business policy of the company, the directors and managers of the company have consistently improved the position of the company during the last five years. First mortgage bonds to the extent of $1,000,000 at the end of 1926 were wiped out by the end of 1928. Preferred stock, by reason of the privilege to convert into two shares of common stock, has been reduced from $3,000,000 at the end of 1926 to $59,500 at the end of 1929. Common stock increased in the same period from 111,120 no par value shares to 173,430 shares at the end of 1929.

Working Capital is Strong

Working capital is very strong, current assets being 16.09 times current liabilities.

During 1930 the company was constructing a $2,000,000 seamless steel tube mill in Crowland Township on the border of Welland, and in 1931 this additional plant will be seeking business. The principal market for this seamless tubing will be in western oil fields.

Through its subsidiaries the company produces pipes and tubing for practically every industrial purpose. In addition, the plants manufacture bends, sockets and nipples, railway signal tubes, steel tubing for gas wells, including pipe lines for piping oil and gas, clamps, tubular poles and columns, steel conduits and couplings for electrical wiring, coils for heating apparatus, refrigerator plants, dyeing rooms, soap factories, sugar refineries and general engineering purposes. The company's export business is an important part of its operations.

Capitalization— Authorized Outstanding
Preferred $3,000,000 $59,500
Par $100.
Common 175,000 sh. 173,430 sh.
No par alue.

Funded Debt—
None.

Dividend Record—
Preferred—7 per cent per annum, cumulative, payable quarterly, Jan., Apr., July and Oct. 1.
Common—$5 per annum, payable quarterly, same as preferred. Initial dividend at this rate was paid Apr. 1, 1930. Previous rate was $4 per annum.

Officers and Directors—
Officers—W. W. Near, pres. and man. dir.; H. C. Schofield, D. H. Freidman, vice-presidents; H. Rooke, sec.-treas.
Directors—W. W. Near, H. C. Scholfield, Sir Henry M. Pellatt, A. W. Holmstead, A. E. Ames, Toronto; D. H. Freidman, G. F. Perry, Albany, N.Y.; C. L. Dunbar, Guelph, Ont.; H. J. Fuller New York.

INCOME AND SURPLUS ACCOUNT
Years ended December 31

	1929 $	1928 $	1927 $
Oper. profit‡	1,899,692	1,616,152	......
Add int., etc.	70,447	104,579	......
Net profit	1,970,139	1,720,731	1,021,600
Less appropriations:			
Pref. divds.	12,444	133,327	200,909
Com. divds.	678,107	406,955	341,152
Surp. for year	1,279,588	1,180,449	479,539
Add: Prev. surp.	1,180,449	......	......
Bal. carr. for'd	2,460,037	1,180,449	*479,539

‡After providing for bond interest, bad and doubtful debts, income tax and depreciation.
*Carried to capital account, the value of common stock being increased by this amount.

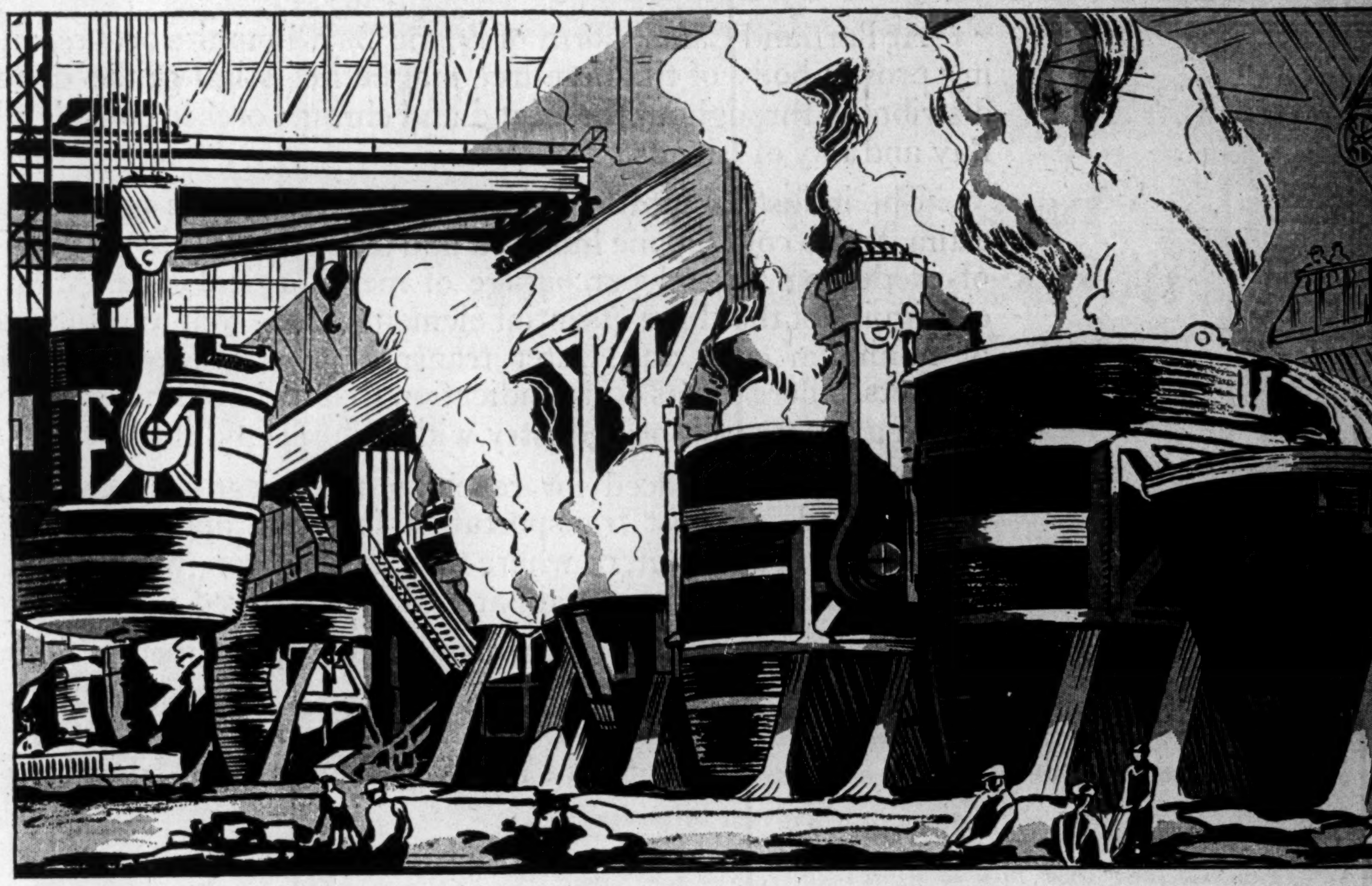
Earn. per Share and Div. Record:

Preferred:			
Earned	$3,311.16	$100.87	$37.68
Paid	7.00	7.00	7.00
Common:			
Earned	11.29	11.30	7.02
Paid	4.00	3.00	3.00

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Com.	105	75	141	75	134⅞	85¼
Pref.	...	...	264	250	240	171

The modern trend in... Steel



"I remember the day when there were but two Specifications for Steel," said our chief metallurgist recently.

to-day

Steel is no longer purchased on a tonnage basis to be used for a multiplicity of purposes. Special steels are demanded by buyers . . . "Individual" steels to meet particular requirements . . . stronger steels . . . tougher steels . . . lighter steels . . . threading steels . . . forging steels.

Stelco metallurgists, chemists, engineers—peering into the future and sensing a duty to Canadian industry—are anticipating and providing new steels for to-morrow. They invite an opportunity to discuss the trend in steel as applying to your particular products.

THE STEEL COMPANY OF CANADA, LIMITED

HAMILTON STELCO MONTREAL

SALES OFFICES: HALIFAX, ST. JOHN, MONTREAL, TORONTO, HAMILTON, WINNIPEG, VANCOUVER
WORKS: HAMILTON, MONTREAL, TORONTO, BRANTFORD, LONDON, GANANOQUE

NEWFOUNDLAND

IRON, COAL and LIMESTONE

Strategically Located in Enormous Quantities

NEWFOUNDLAND is singularly fortunate in possessing virtually inexhaustible iron ore reserves in the Wabana deposits of Bell Island, as well as substantial proven bituminous coal areas at St. George's. The strategic position of these great resources is of far reaching importance to their future development. This iron and coal is nearer in shipping distance to the markets of Europe than either United States or Canada and yet is closely adjacent to the industrial areas of both Eastern United States and Canada, which import annually great quantities of ore from Newfoundland. A further advantage is the location of both iron mines and coal fields at tidewater, allowing cheapest possible transportation costs to all importing countries. On the basis of these facts the future should see the growth of a great smelting industry in Newfoundland.

The Wabana iron deposit on Bell Island, Conception Bay, is the largest known individual deposit of high grade iron ore in the world. Reserves are conservatively estimated at three (3) billion tons. Annual production in recent years has considerably exceeded a million tons, which has been loaded direct to steamers and shipped, in greater part, to Germany, Great Britain, United States, and to the steel furnaces of Cape Breton.

Other important deposits of iron ore also occur at St. George's Bay in the outcropping commonly known as Steel Mountain, and at Stephensville where assays show 60 to 66 per cent metallic iron.

At Portland Canal, north of Bonne Bay, limonite occurs, and at Tilt Cove there is a promising proven body of titanium-free magnetite. High grade deposits of sulphur ores are widely distributed throughout the Island and chrome ores in considerable quantity exist at Port au Port Bay and Bay of Islands.

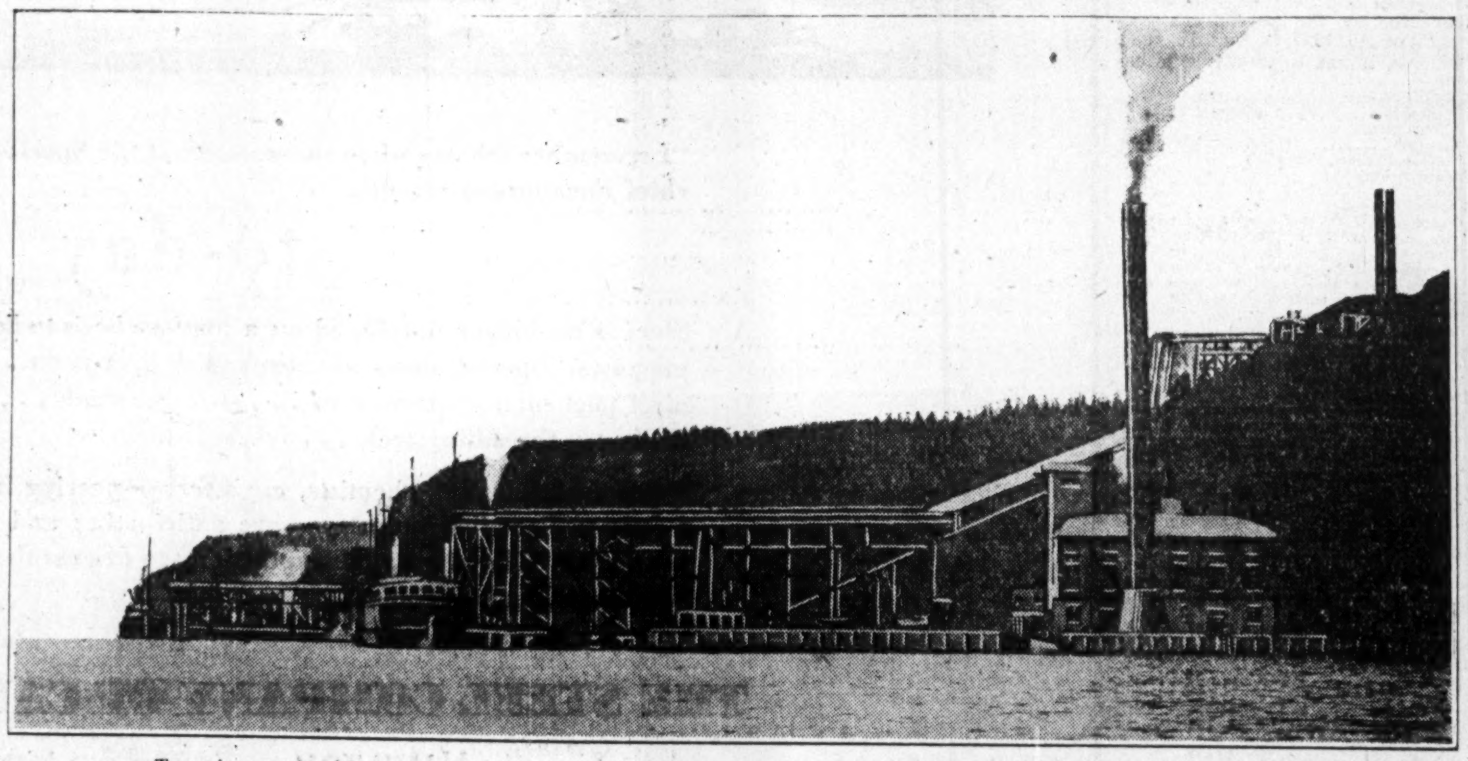
The industrial future of Newfoundland is rich in promise. The area at St. George's Bay is estimated to contain one hundred and seventy-six (176) million tons of bituminous coal capable of producing a good percentage of metallurgical coke. At St. George's Bay also the fortunate contiguity of the three essential elements, iron, coal and limestone, enables production of steel at minimum cost, and water transportation also affords the cheapest method of reaching markets. There seems every indication that it should be economically possible and advisable to create a great smelting industry within the Island itself.

Strategically placed for reaching the great steel consuming markets of the world, with unsurpassed low cost transportation facilities, and with almost all its mineral deposits at or adjacent to deep water, or where they can be brought together at a minimum cost, Newfoundland stands in an unique and particularly favoured position.

The Government will be pleased to supply further information as to opportunities to interested parties.

Iron Ore Loading Piers at Bell Island, Newfoundland

Proximity to Consuming Markets Important Factor in Newfoundland's Bid for New Industries.



Two piers, each with a capacity of 2,500 tons per hour, are used to load freighters with ore from the huge stock piles.

For Further Information Apply to: Government Offices, St. John's, Nfld.

CANADIAN CAR AND FOUNDRY

Company Enters Current Fiscal Year With Financial Position Greatly Strengthened—Plants Are Active on Recent Orders

Some $6,000,000 worth of business has been received by Canadian Car & Foundry Co., during the current fiscal year which ends September 30 next. The ability of the company to earn its preferred and common stock dividends this year will depend upon the receipt of additional orders within the next month or two.

There is reason to believe that the company will be able to continue payment of dividends on its capital stock without change during the present year. During the twelve months ended September 30 last, the company reported earnings on its capital stock of $3.89 a share, as against dividends of $1.75. This was about 62 cents a share less than in the preceding year, which had been the best experienced over the last decade. It is understood, however, that larger profits could have been shown had not substantial reserves been set aside to take care of smaller earnings in lean years.

Strengthened Financial Position

Over the last two years Canadian Car and Foundry Co. has considerably strengthened its financial position and placed its properties in excellent condition.

Through reserves and the issuance of additional stock, the company was able to retire all its funded debt as well as that of subsidiaries by the middle of 1929. At present senior securities are represented by $7,500,000 of seven per cent cumulative participating preferred stock. There are, in addition, 365,800 shares of no par value common stock.

Strong Working Capital

Examination of the balance sheet as at the end of September 30 last shows the company to be in a strong liquid position. The company has over $8,000,000 of current assets, the greater proportion of which represented cash or gilt edge securities. Working capital has been increased to a very satisfactory figure and the company is in a position to tide over a normal period of easy business.

At the present time interest received by the company on its investments and call loans goes a long way toward meeting the dividend on the preferred stock.

At the present time, the outlook for earnings on the common stock must be considered as somewhat speculative. The dividend policy, on the other hand, will hardly be changed unless the outlook in the equipment business becomes much worse than it is at the moment. Given a resumption of normal buying of railway rolling stock, the securities of Canadian Car have many attractions for the investor with a diversified list of securities.

Capitalization—

	Authorized	Outstanding
Preferred	$7,500,000	$7,500,000
Par $25.		
Common	400,000 shs.	365,800 shs.
No par value.		

Funded Debt—
None.

Dividend Record—
Preferred (new)—$1.75 per annum, cumulative, participating, payable Jan., April, July and Oct. 10. Initial dividend of 44 cents paid Jan. 10, 1930. Paid regularly since.
Common (new)—$1.75 per annum. Initial dividend of 44 cents was paid Nov. 30, 1929. Paid regularly since.
Dates Payable—Feb. 28, and May, August and Nov. 30.

Officers—Hon. N. Curry, chairman of the board; W. W. Butler, pres.; W. F. Angus, vice-pres.; W. S. Atwood, vice-pres.; A. D. Neale, vice-pres.; J. B. Brodie, treas.; L. A. Peto, vice-pres. and comptroller; A. C. Bourne, sec.
Directors—Hon. N. Curry, W. W. Butler, Hon. C. P. Beaubien, F. H. Clergue, W. F. Angus, H. W. Beauclerk, V. M. Drury, Hon. Lorne C. Webster, Mark Workman, all of Montreal; Hon. E. C. Smith, St. Albans, Vt.

CONSOLIDATED INCOME AND SURPLUS ACCOUNT
Years Ended September 30
(Including Canadian Steel Foundries, Limited and other associated companies)

	1930 $	1929 $	1928 $
Net earn. from oper.	§3,104,867	3,922,114	1,215,996
Add: Int. earned (net)	143,011	....	29,621
Total earn.	3,247,878	3,922,114	1,245,617
Less: Bond int.	2,759	204,563	295,635
Other int.	....	59,649	9,653
Deprec.	402,000	402,000	402,000
	404,759	666,212	707,288
Net profits	2,843,119	3,255,902	538,329
Less appropriations:			
Prov. for taxes & gen. purposes	250,000	250,000	....
Pref. divs.	525,000	525,000	525,000
Com. divs.	640,150	247,100	....
	1,415,150	1,022,100	525,000
Surp. for year	1,427,969	2,233,802	13,329
Add: Prev. surp.	5,030,796	2,296,994	2,283,664
Trans. to spec. res. fund	....	500,000	....
Bal. carr. for'd	6,458,765	5,030,796	2,296,993

§After full provision for bad debts and operating reserves, and after setting aside a special reserve for inventories.

Times Bond Interest Earned:

	1930	1929	1928
After deprec.	*	13.32	2.76

*Bonds redeemed during the 1930 fiscal year.

Earn. Per Share and Dividend Record:†

	1930	1929	1928
Pref. (old):			
Earned	...	$18.06	$7.18
Paid	...	7.00	7.00
Arrears	...	...	...
Pref. (new):			
Earned	$3.89	$4.51	...
Paid	1.75	...	...
Ordinary (old):			
Earned	...	$18.06	$0.27
Paid	...	3.50	...
Ordinary (new):			
Earned	$3.89	4.51	...
Paid	1.75	...	...

†Based on net profits after provision for taxes, etc.

Ten Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1921	1,188,853	2,100,000	3,251,207
1922	209,266	....	2,646,574
1923	2,430,188	525,000	3,567,147
1924	1,928,312	787,500	3,903,869
1925	256,388	918,750	2,655,349
1926	714,825	525,000	2,190,209
1927	1,332,887	525,000	2,283,665
1928	1,215,995	525,000	2,296,992
1929	3,922,114	772,100	5,030,796
1930	3,104,867	1,165,150	6,458,765

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Com.	32	15¼	*37½	16	96	32
Pref.	33	21½	*39½	20	110½	90

*New stock.

CANADIAN STEEL FOUNDRIES

Preferred	$2,000,000	$1,400,000
Common	3,000,000	3,000,000
Par $100.		

(All owned by Canadian Car & Foundry Co.)

Funded Debt—
None.

Officers and Directors—
Officers—W. W. Butler, pres.; W. F. Angus, vice-pres.; W. S. Atwood, vice-pres.; A. D. Neale, vice-pres.; L. A. Peto, vice-pres. and comptroller; A. C. Bourne, sec.; J. B. Brodie, treas.
Directors—Hon. C. P. Beaubien, Hon. L. C. Webster, W. W. Butler, H. W. Beauclerk, W. F. Angus and V. M. Drury, of Montreal.

SERVICE STATIONS

Notable Expansion Accompanied by Increasing Earnings Has Marked Advance of Company Selling Equipment for Oil Distributing Trade

Annual report of Service Stations for 1930, when it appears in the course of a few months, will probably show earnings for 1930 from $5.50 to $6 a share on the common stock, according to official statement. Sales for 1930 were about 25 per cent higher than in 1929.

Directors state that the company's liquid position has been improved considerably during the year. Nearly all capital expenditures necessary to the expansion programme of the company over the last two years have been made and the company is now receiving the benefit of consolidations. The semi-annual report for the first six months of 1930 showed the increase at that time to be even more than 30 per cent.

Service Stations is a holding company controlling ten operating subsidiaries with thirteen plants manufacturing gasoline and kerosene pumps, oil and grease equipment, steel drums, pneumatic storage tanks, tanks for the oil trade, hot water range boilers, gas water heaters, oil burners, Eco Automatic Air Stations, air compressors, car washers and other equipment for service stations and oil company trade. Six of the subsidiary companies are located in the United States and four are in Canada.

Has Had Quick Expansion

The company was organized in 1922 as the Clear Vision Pump Co. for the manufacture of gasoline pumps. In 1927 the name of the company was changed to Service Station Equipment Co., which company during 1928 and 1929 acquired through cash purchase or exchange of stock control of a number of companies manufacturing service station and oil equipment.

Capitalization—

	Authorized	Issued
Pref. ($100 par)	$3,500,000	$3,261,100
Pref., Series "A" ($100 par)	1,500,000	1,495,000
Common class "A" (No par val.)	*300,000 shs.	188,312 shs.
Common class "B" (No par val.)	50,000 shs.	50,000 shs.

At a special meeting held on May 16, 1930 shareholders ratified the authorization of an additional $2,000,000, 6 per cent cumulative, convertible preference stock and 50,000 additional class "A" common stock of no par value.

Funded Debt—
None.

Dividend Record—
Preference—6 per cent per annum, cumulative from Nov. 1, 1928, payable Feb., May, August and Nov. 1.
Preference, Series "A"—6 per cent per annum, cumulative from May 1, 1929, payable Feb., May, August and Nov. 1.
Class "A"—$2.60 per share per annum, payable quarterly, Jan., Apr., July and Oct. 1. Initial dividend at this rate was paid Jan. 1, 1930; former rate was $2.00 per share per annum, payments at this rate commencing July 1, 1929. Prior to July 1, 1929, rate was $1.60 per share per annum, plus bonus.
Class "B"—$2.60 per share per annum, payable quarterly, Jan., Apr., July and Oct. 1. Initial dividend at this rate was paid on Jan. 1, 1930; former rate was $2.00 per share per annum, payments at this rate commencing July 1, 1929. Prior to July 1, 1929, rate was $1.60 per share per annum, plus bonus.

Officers and Directors—
Officers—A. L. Ellsworth, pres.; H. W. Knight, vice-pres. and treas.; Frank Sutcliffe, vice-pres.; F. J. Mayo, sec.
Directors—A. L. Ellsworth, H. W. Knight, H. R. Tudhope, Toronto; Frank Sutcliffe, V. M. Mauck, Conshohocken, Pa.

CONS. INCOME AND SURPLUS ACCOUNT
Yearrs Ended December 31

	1929 $	1928 $
Net earnings	1,804,061	960,732
Less: Depreciation	323,127	123,931
Income taxes	143,540	84,239
Net profit	1,337,394	752,562
Less appropriations:		
Bennett Pump Corp.:		
Pref. dividend	......	20,313
Com. dividend	......	31,355
Int. paid in lieu of divs. to vendors of sub. cos.	34,827	......
Service Stations Ltd.:		
Pref. divds.	79,751	22,500
Pref. "A" divds.	67,350	......
Class "A" divds.	306,016	163,925
Class "B" divds.	107,500	20,001
Surp. for year	741,950	594,468
Add: Prev. surp.	1,203,198	788,218
Profit from sale of invest.	......	70,066
Surp. of sub. cos. purc.	787,476	......
Less: Cost of reorg., prem. of Bennett pref. retired and other adj.	......	149,554
Res. for patents and exp. of reorgan.	328,274	......
Res. against invest. in sub. & assoc. cos.	252,012	......
	2,152,338	1,203,198

EARNINGS FOR SIX MONTHS
Ended June 30:

	1930 $	1929 $
Net sales	8,755,123	6,995,305
Net earnings	1,190,121	964,789
Less: Depreciation	169,469	169,173
Taxes	89,591	80,087
Net profit	931,061	715,529
Less: Pref. divds.	82,698	43,563
Surp. for period	848,363	671,966
Earnings per Share:		
Preference*	$28.55	$51.66
Pref., series "A"**	55.73	**
Class "A" & "B"	†3.56	2.66
Class "A" & "B"	‡3.31	...

* Based on 32,611 shares outstanding as at June 30, 1930; and 13,852 shares as at June 30, 1929.

** Based on 14,950 shares outstanding as at June 30, 1930; calculation not possible for 1929 as issue only publicly offered June, 1929.

† Based on the surplus for period as above and on 188,312 shares class "A" and 50,000 "B" outstanding as at June 30, 1930; and 176,774 "A" and 50,000 "B" outstanding June 30, 1929.

‡ After full six months' dividends, at the rate of 6 per cent per annum, on the preferred issues outstanding as at June 30.

Market Record—

	1930 H	1930 L	1929 H	1929 L
Preferred	115	90	175	100
Com., class 'A'	54	29	88	35

Latest Statistics in Steel Industry

	1928	1929	Change from Previous Year
No. of plants	1,159	1,169	+10
No. of employees	119,200	130,762	+11,562
Wages paid	$168,320,038	$185,343,062	+10.1%
Capital invested	702,931,186	750,266,636	+6.7%
Cost of materials at works	309,618,074	382,217,108	+23.4%
Value of products at works	609,632,999	732,390,039	+20.1%
Imports	322,963,610	342,480,427	+6.0%
Exports	70,665,677	90,101,565	+27.5%

GEORGE A. FULLER

Company Enters Current Year With Record Business

George A. Fuller Co. of Canada Ltd., started 1931 with the greatest volume of orders it has ever had on its books. The largest of these was for the new building of the Bank of Novia Scotia in Toronto; other contracts included a building for the same bank in Halifax, a structure for the University of Toronto, and a new warehouse for the Robert Simpson Co.

Earnings for 1930 are not expected to equal the 1929 figure but the outlook for the current year is regarded as fairly encouraging.

An interesting feature of the capital set-up of the company is the participating privilege which attaches to the preferred stock. This entitles preferred shareholders to participating dividends equivalent to 20 per cent of the residuary net profits up to a maximum of $9 a year. Under this clause substantial bonuses were paid in 1928 and 1929.

George A. Fuller of Canada has a long list of large construction jobs to its credit, including the Royal Bank of Canada, Montreal, Bell Telephone Building, Montreal, Canada Cement Building, Montreal, the Royal Bank Building, Toronto, together with many others in various parts of the country.

Capitalization—

	Authorized	Outstanding
Preferred	$750,000	$750,000
Common	250,000	250,000
Par $100.		

Funded Debt—
None.

Dividend Record—
Preferred—6 per cent per annum, cumulative from Feb. 1, 1928, payable Feb., May, Aug. and Nov. 1, guaranteed by parent company; also entitled to non-cumulative participating dividends equivalent to 20 per cent of residuary net profits. (maximum $9 per annum). Initial dividend paid May 1, 1928. Bonus of 4.38 per share was paid for the year of 1928, while $4.79 per share as a bonus for the year of 1929, was paid May 1, 1930.
Common—Dividends not reported, entire issue being held by parent company. $40 per share paid in 1929.

Officers and Directors—
Officers—Lou R. Crandall, pres.; John F. McPherson, J. L. E. Price, vice-pres.; W. S. M. Mactier, sec.-treas.
Directors—W. A. Black, N. L. C. Mather, John F. McPherson, J. L. E. Price, Hon. J. M. Wilson, Montreal; J. J. Gibson, H. T. Hunter, W. L. Matthews, George T. Pepall, Toronto; H. S. Black, Lou R. Crandall, George A. Fuller, R. G. Babbage, New York.

INCOME AND SURPLUS ACCOUNT

	8 mos. ended Dec. 31 1929 $	12 mos. ended Apr. 30 1929 $
Net earnings	*......	239,643
Add: Other income	*......	49,900
Gross earnings	*......	289,543
Less: General exp.	*......	67,159
Res. for inc. tax	*......	13,049
Capital stock exp.	*......	4,888
Net profit	*......	204,447
Less: Pref. div. paid	*......	45,000
Part. pref. div.†	*......	32,867
Pref. div. accr.	3,750	......
Profit pay. to officers & employees	*......	26,378
Prof. avail for c. divs.	111,206	100,202
Less: Com. divs. paid	100,000	......
Surp. for period	11,206	100,202
Add: Prev. surp.	224,887	124,261
Rebate of taxes	......	424
Bal. car. for.	236,093	224,887

* Figures not available. † Declared but not paid until after close of fiscal year.

Earn. per Share and Div. Record:

Pref.: Earned	...	$27.89
Paid	$4.50+$4.79	$6+$4.38
Com.: Earned†	$44.48	$40.08
Paid	40.00	...

† Based on "Profit available for common dividends" as shown above.

RUSSELL MOTOR

Holding Company Has Advanced in 31 Years Existence

Russell Motor Car Co., which was formed originally in 1899 as the Canada Cycle & Motor Co., is a holding company for that original company, owns nearly 27 per cent of the capital stock of Willys-Overland, Ltd. and owns jointly with the National Acme Co. of Cleveland, O., the Canadian Acme Screw & Gear.

It represents in a broad way a company which made a successful transition from the old days of the bicycle and the skate to the new ones of swift motor car transportation and which did not abandon manufacture in the old lines but continued to expand and improve those products.

Russell Motor Car Co. has no funded debt. Its preferred dividends have been paid regularly since 1916 and its common stock dividends have been paid in varying amounts. The tendency up to the last year of lower production in the motor car business as a whole has been for increasing earnings. The earned surplus has been increasing. Dividends on common stock have been omitted in only six years since 1910. As a conservative policy has always been followed, it is likely that in times like the present dividends will not be paid long if not earned with a reasonable margin.

Capitalization—

	Authorized	Outstanding
Preferred	$1,200,000	$1,200,000
Common	800,000	800,000
Par $100.		

Funded Debt—
None.

Dividend Record—
Preferred—7 per cent per annum, cumulative, payable quarterly, Feb., May, Aug. and Nov. 1.
Common—5 per cent per annum, payable quarterly, same dates as preferred. Rate increased from 4 per cent to 5 per cent in 1929. A bonus of 1 per cent paid Feb. 1, 1930.

Officers and Directors—
Officers—T. A. Russell, pres.; A. E. Ames, vice-pres.; G. W. Suggitt, sec.
Directors—T. A. Russell, A. E. Ames, J. N. Shenstone, H. D. Scully, J. W. Gibson, Toronto, Ont.; J. W. Widdup, Brantford, Ont.

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1929 $	1928 $	1927 $
Net profits	144,508	139,054	123,247
Less appropriations:			
Pref. divs.	84,000	84,000	84,000
Com. divs.	48,000	40,000	32,000
Surp. for year	12,508	15,054	7,247
Add: Prev. surp.	564,517	549,463	542,189
Bal. car. for.	577,025	564,517	549,436
Earn. per Share and Div. Record—			
Pref.: Earned	$12.04	$11.58	$10.27
Paid	7.00	7.00	7.00
Com.: Earned	$7.56	$6.88	$4.91
Paid	5+1	4+1	4.00

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Com.	96	79¾	100	82	75	56½
Pref.	102	93	116	100	106	97½

WILLYS-OVERLAND

Capitalization—

	Authorized	Outstanding
Common	$3,000,000	$3,000,000
Par $100.		

Of the issued stock $2,176,000 is owned by Willys-Overland Co., the parent company, and $800,000 by Russell Motor Car Co.

Funded Debt—
None.

Officers and Directors—
Officers—T. A. Russell, pres. and gen. man.; L. A. Miller, vice-pres.; J. H. Gerkens, treas.; T. K. Jones, sec.
Directors—John N. Willys, chairman of board; C. O. Miniger, L. A. Miller, Gordon Mather, Toledo, Ohio; T. A. Russell, A. E. Ames, Toronto.

STANDARD PAVING & MATERIALS

Paving Business in 1930 Stood Up Well—Strong Financially—Does Business in Ontario, Quebec, New York State and Florida

Standard Paving & Materials, Ltd., whose fiscal year ends March 31, has been having in the current year one of the best years in its history so far as its paving business is concerned. This should enable the company to make a comparatively good showing for a year of depression.

It operates through its subsidiary companies as street and highway paving contractors and supplies sand and gravel for all types of building and construction work throughout Ontario, Quebec and in New York State. The company specializes in asphalt paving.

The company controls permanent and portable asphalt paving units in Ontario, Quebec and New York State, and a number of sand and gravel pits in Ontario. Through the purchase of National Sand & Material Co., the company acquired a fleet of six material boats, several of which are self-loading and discharging.

The company is in a strong liquid position with current assets of $1,038,280, which is 5.03 times the current liabilities of $206,437. The working capital of $831,843 has among its items such strong ones as cash of $169,323 and Dominion and Provincial bonds of $429,517. The company had on March 31, 1930, mortgages payable at $40,648, but it had no bank loan.

Capitalization—

	Authorized	Outstanding
Preferred	$1,500,000	$1,444,500
Par $100.		
Common	200,000 sh.	104,872 sh.
No par value.		

Common—In January, 1929, all outstanding common stock of Standard Paving and Materials was exchanged for common shares of the companies entering the merger on the following basis: 115 common shares of the new company for 100 shares of Standard Paving, and one common share of the new company for every two shares of Consolidated Sand and Gravel.

Of the unissued common stock, 37,500 shares are set aside for exchange of Standard Paving and Materials, preferred stock and 15,000 shares are set aside for the exchange of Consolidated Sand and Gravel preferred stock.

Funded Debt—
None.

Dividend Record—
Preferred—7% per annum, payable quarterly, Feb., May, Aug. and Nov. 15. Initial dividend of 1¾% paid May 15, 1929 and quarterly since.
Common—$2 per annum, payable quarterly. Same dates as preferred. Initial dividend of 50 cents paid May 15, 1929, and quarterly since.

Officers and Directors—
Officers — John E. Russell, pres.; John Gleeson, vice-pres. and chairman of board; J. F. M. Stewart, vice-pres.; N. C. Shipman, sec.-treas., Ottawa.
Directors—John Gleason, Gordon C. Edwards, M.P.; John Foley, Ottawa; John E. Russell, J. F. M. Stewart, G. G. Robinson, W. B. Milner, E. T. Davis, H. B. Smith, E. W. Wright, J. J. Jennings, K.C., Toronto; J. F. Driscoll, Buffalo, N.Y.

CONSOLIDATED INCOME AND SURPLUS ACCOUNT
Year ended March 31, 1930

	$
Net profit from operations	747,150
Add: Miscel. income	58,838
Net earnings	805,988
Less: Depreciation	200,000
Res. for income tax	42,856
Res. for deprec. & depl.	5,000
Res. for sinking fund	3,864
Net profit	554,268
Less appropriations:	
S. P. & M. pref. dividends	104,364
C. S. & G. pref. dividends	79,216
S. P. & M. common dividends	209,744
Surplus for year	160,944
Add: Previous surplus	982,880
Balance carried forward	1,143,824
Earn. per Share and Div. Record:	
Preferred: Earned	$38.37
Paid	7.00
Common: Earned	3.53
Paid	2.00

Market Record—

	High 1930	Low 1930	High 1929	Low 1929
Common	26½	13¼	39	21
Preferred	95	78	100	85

CONSOLIDATED SAND & GRAVEL
(Controlled by Standard Paving & Materials)

Capitalization—

	Authorized	Outstanding
Preferred	$1,200,000	$1,102,700
Par $100.		
Common	100,000 sh.	70,000 sh.

*Balance reserved for conversion of preference stock.

All the outstanding common stock is held by the parent company.

Funded Debt—
None.

Dividend Record—
Preferred—7% per annum cumulative, payable, Feb., May, Aug. and Nov. 15. Initial dividend paid Aug. 15, 1928.

Officers and Directors
Officers — John E. Russell, pres. G. G. Robinson, gen. mgr.; F. W. Thompson, asst. gen. mgr.; A. M. Harnwell, secy.
Directors—J. F. M. Stewart, John E. Russel, G. G. Robinson, F. W. Thompson, W. I. Newmarch, Toronto.

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Preferred	87	80	99	80	95	83¾

CAN. FAIRBANKS-MORSE

Company's Western Sales Affected by Business Conditions

Although Canadian Fairbanks-Morse Co. is not expected to show earnings for 1930 equal to those of 1929 it is understood that the company has succeeded in earning its preferred dividend by a comfortable margin, while an improvement in cash and investment account is anticipated.

During the past year the company's business in the Prairie Provinces and on the Pacific coast was affected by general business conditions, though it is reported that sales in Quebec and the Maritimes were maintained on a reasonably satisfactory basis.

Capitalization—

	Authorized	Outstanding
Preferred	$1,500,000	$1,500,000
Par $100.		
Common	125,000 shs.	80,000 shs.
No par value.		

Funded Debt—
None.

Dividend Record—
Preferred—6 per cent per annum payable 15 Jan., April, July and October.
Dividend passed for years 1924, 1925 and 1926. Resumed in 1927. Paid in arrears, 3 per cent in 1927 and 15 per cent in 1928.
Common—$2 per annum. No dividends paid from 1920 until April 15, 1929, when a dividend of 50 cents per share was paid. Further quarterly dividends of 50 cents per share were paid on June 15, Sept. 16, 1929 Jan. 15, and March 15, 1930.

Officers and Directors—
Officers—Thomas McMillan, pres.; C. J. Brittain, vice-pres. and sales mgr.; P. C. Brooks, vice-pres. and mfg. mgr.; P. A. Forester, treas.; C. Bradeen, sec.; T. M. Cullen, asst.-treas.
Directors — Henry J. Fuller, chairman; Thos. McMillan, C. J. Brittain, T. H. McWilliam, Montreal; P. C. Brooks, New York; C. H. Morse, W. E. Miller, F. M. Boughey, R. H. Morse, Chicago.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec 31

	1929 $	1928 $	1927 $
Net earn.	719,174	743,936	461,263
Add: Misc. inc.	23,283	10,799	......
	742,457	754,735	461,263
Less: Deprec.	31,097	60,166	44,663
Prov. for depr. of invest.	6,648	......	......
Interest	5,270	6,071	19,830
Bad debts writ. off	17,453	3,275	7,342
Dom. inc. tax	40,000	53,000	30,000
Pension contrib.†	33,174	29,451	15,913
Net profit	608,815	602,772	343,515
Less appropriations:			
Pref. divds.	90,000	315,000	135,000
Com. divds.	160,000	......	......
Surp. for year	358,815	287,772	208,515
Add: Prev. surp.	2,445,333	2,157,561	1,949,046
	2,804,148	2,445,333	2,157,561

†As at Dec. 31, 1929 assets held by trustees of fund were $601,722. This fund is not incorporated in the figures of the company.

Earn. per Share and Div. Record:

	1929	1928	1927
Preferred:			
Earned	$40.59	$40.18	$22.90
Paid (regular)	6.00	6.00	...
(arrears)	...	15.00	...
Common:			
Earned†	6.48	6.41	3.17
Paid	2.00	...	...

†After full provision for regular preferred dividends whether paid or not but before deduction of arrears paid in 1928 and 1927.

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Preferred	83½	80	98	97	103	101

STANDARD STEEL

Standard Steel Construction Co., which produces structural steel frames for building bridges, may not show for 1930 as large earnings as in 1929 and 1928, which were very busy years in the steel construction business in Canada. Before the first six months of the year, however, the business rate compared favorably with 1928, and the annual report will probably tell the story for the full year about the middle of February.

Capitalization—

	Authorized	Outstanding
Preferred	10,000 shs.	9,790 shs.
Common	150,000 shs.	120,525 shs.
n.p.v.		

Funded Debt—None.

Officers and Directors
Officers—T. J. Dillon, president; F. L. Haviland, vice-pres. and engineer; J. J. Breen, sec'y-treas.
Directors—T. J. Dillon, F. L. Haviland, J. A. Cowan, Emil Darte, Welland, Ont.; W. J. McDermott, T. E. Wilson, Port Robinson, Ont.; H. E. Cochran, Toronto, Ont.

INCOME AND SURPLUS ACCOUNT
(Year Ended December 31)

	1929 $
Net earnings	303,954
Less: Reserve for income tax	27,500
Net profit	276,454
Less: Preferred dividends	29,843
Surplus for year	246,621
Earnings Per Share & Dividend Record:	
Preferred:	
Earned	$28.24
Paid	3.06
Common:	
Earned	2.05
None paid.	

Market Record—

	1930 H	1930 L	1929 H	1929 L
Common	15½	7	20	8½
Preferred	42½	36½	..	..

CORPORATE STEEL

Has Built Up Strong Organization Since Inception

Corporate Steel Products was formed in June, 1930, to co-ordinate and consolidate the business of Western Steel Products. Through a share-for-share exchange the company acquired control of Western Steel.

The company has expanded its activities in the past year. In 1930 the business of Geo. W. Reed & Co. was acquired and a $400,000 plant addition is presently under erection in Montreal. In June, 1930, the business of Heather & Little was purchased in Toronto.

New units have been built in Regina, an extension has been made to the Calgary plant while property has been acquired in Saskatoon to make way for enlargement of the existing unit in that city.

Capitalization—

	Authorized	Outstanding
Common	125,000 shs.	100,000 shs.
n.p.v.		

Funded Debt—
None.

Dividend Record—
None paid.

Officers and Directors—
Officers—R. R. Symington, pres.; A. Wachsmuth, vice-pres.; F. O. Woodman, sec.-treas.; J. L. Riley, mgr.
Directors—R. R. Symington, F. O. Woodman, J. L. Riley, J. K. McNutt, Montreal, P.Q.; A. Wachsmuth, George A. Jones, Horace Ormond, K.C., F. J. Walker, Winnipeg, Man.; G. G. Complin, Owen D. Dath, Toronto, Ont.; F. T. Foxcroft, Vancouver, B.C.; E. A. Theed, Calgary, Alta.

Market Record—

	1930 High	1930 Low
Common	21¾	15

WESTERN STEEL PRODUCTS
(Controlled by Corporate Steel Products)

Capitalization—

	Authorized	Outstanding
Preferred	$1,100,000	$1,100,000
Common	100,000 shs.	*100,000 shs.

*About 97,000 shares held by parent company, as at Oct. 1, 1930.

Funded Debt—
First Mortgage Bonds, Series A, 6%, due 1948, outstanding, $1,090,778.
Series "B," outstanding, $1,000,000.

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1929 $	1928 $
Net earnings	773,268	598,778
Less: Depreciation	84,921	84,766
Bond interest	67,570	34,500
Reserve for taxes	57,538	42,359
Net profit	563,239	437,153
Less appropriations:		
Preferred divs.	71,500	35,750
Surplus for year	491,739	401,403
Add: Capital surplus	350,629	350,629
Bal. of profit from prev. year	390,191	......
Bal. carried forward	1,232,559	752,032
Times Bond Interest Earned:		
Before depreciation	11.44	17.36
After depreciation	10.19	14.90
Earn. Per Share and Div. Record:		
Preferred: Earned	$51.20	$39.74
Paid	6.50	3.25
Common: Earned	4.92	†3.66
Paid	...	...

†After deducting full year's preferred dividend.

Market Record—

	1930 H	1930 L	1929 H	1929 L
Com.	41	24	53½	28
Pref.	96½	90	100	93

CANADIAN WESTINGHOUSE

Unlisted Stock is in Strong Demand—Record is Excellent—Outlook for Industry Remains Promising

One of the most interesting of Canadian stocks not listed on any exchange is that of Canadian Westinghouse Co. The company always has been a good dividend payer, both in cash and in stock. The present rate of $2 per no-par share plus the $1 bonus which has been paid in the last two years is the equivalent of $18 per share on the old stock of $100 par value.

Ten times since the original issue in 1903 there have been rights or stock bonuses in addition to the regular dividends.

In Strong Financial Position

Canadian Westinghouse is in a strong financial position. Net earnings have been growing steadily, and while it is possible that the results for 1930 were not so good as the results for 1929, the decline, if any, is not expected to have been large in view of the excellence of the management and the relative prosperity of the electrical industry.

Working capital is in excess of $10,000,000 and at the end of 1929, cash and government bonds held by the company were approximately $7,000,000. Goodwill, which was carried at $500,000 prior to 1927, has been written down to $1. Plant and other physical assets are carried at the conservative figure of $5,532,929.

The two main lines of the company's activities are the manufacture of air brakes and kindred equipment, and electrical equipment of all varieties from generators to radio tubes. The two plants are at Hamilton and sales offices and warehouses are maintained in principal cities.

Although the stock is not listed and is held somewhat closely, there is an active demand for it among dealers in unlisted securities. The outlook continues to be promising.

Capitalization—

	Authorized	Outstanding
Common	900,000 shs.	540,000 shs.
N.p.v.		

In July, 1929, the par value of the stock was changed from $100 to none, shareholders receiving six new shares for each share held.

Funded Debt—
None.

Dividend Record—
Common—$2 per share per annum, payable Jan., April, July and Oct. 1. In addition, the company has paid a bonus dividend for many years. The regular rate on the old $100 par value shares was 8 per cent per annum. Initial dividend on new no par value stock paid Oct. 1, 1929. An extra dividend of $1 per share paid Jan. 1, 1931.

Officers and Directors—
Officers—H. H. Westinghouse, chairman; Paul J. Myler, pres.; L. A. Osborne, vice-pres.; F. A. Merrick, vice-pres.; N. S. Braden, vice-pres.; H. U. Hart, vice-pres. and chief eng.; Geo. R. Kerr, vice-pres. and treas.; W. E. Sprague, sec.; H. M. Bostwick, mgr. of sales; C. H. O. Pook, mgr. of works.
Directors—H. H. Westinghouse, Paul J. Myler, L. A. Osborne, F. A. Merrick, N. S. Braden, A. W. Robertson, Hon. Thomas Ahearn, P.C.; Charles A. Terry, John F. Miller, A. L. Humphrey.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1929 $	1928 $	1927 $
Net earn.	*4,153,181	13,748,503	*2,551,189
Less: Deprec. w/o	387,000	245,000	240,000
Taxes	320,000	280,000	187,000
Pension fd.	100,000	100,000	50,000
Patents, rights, licenses	....	....	499,999
Res. for depr.	....	150,000	....
	807,000	775,000	976,999
Net profits	3,346,181	2,973,503	1,574,190
Less appropriations:			
Dividends	1,440,000	1,080,000	838,116
Surp. for yr.	1,906,181	1,893,503	736,074
Add: Prev. surplus	4,632,700	2,739,197	4,244,933
	6,538,881	4,632,700	4,981,067
Less: Special div.	....	....	2,241,870
Bal. carr. forward	6,538,881	4,632,700	2,739,197

*Including royalties and investments.

Earnings Per Share and Div. Record:

	1929	1928	1927
Earned	$6.20	$23.03	$17.49
Paid	†4%+‡$1+$1	8+4	8+$2*

†Paid for first 6 months on old $100 par shares.
‡Paid ($1.00+$1.00 bonus) on new n.p.v. shares for second 6 months.
*Includes $30 paid in cash June, 1927.

DISHER STEEL

Disher Steel Construction Co., which took over in 1923 the business formerly known as the Toronto Steel Construction Co., is a well managed concern in which the public interest is represented by 15,000 class "A" no par value preferred stock outstanding. Though a comparatively small concern as compared with the leading companies in the Canadian steel industry, the company has given an exceedingly good account of itself in the last two years as is revealed by the financial statement for 1929 and statements made by officials during 1930.

Capitalization—

	Authorized	Outstanding
Class "A" pref.	15,000 shs.	13,000 shs.
Common	31,500 shs.	22,500 shs.

Officers and Directors—
Officers—C. E. Disher, pres.; J. H. Button, vice-pres.; D. H. Rowan, sec.
Directors—C. E. Disher, T. E. Boyce, E. A. H. Menges, J. H. Button, F. Mathews, A. Longwell, H. E. Cochran, all of Toronto.

Earnings Per Share:*

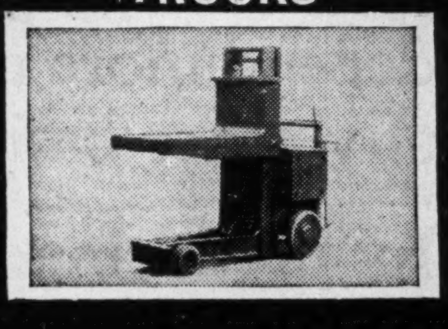
Class "A" pref.: earned	$6.79
Common: Earned	3.52

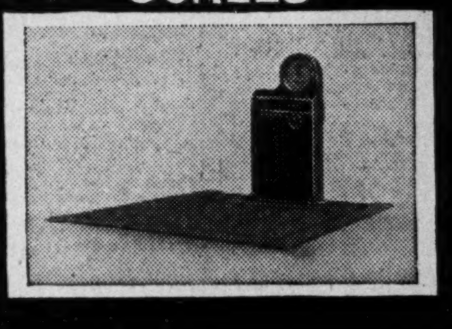
*Based on net profit of $101,881 as given above. Common calculated after deduction from this amount of full year's dividend on class "A" preference.

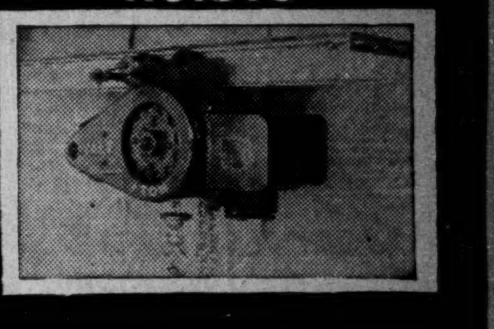
Market Record—

	1930 High	1930 Low
Common	15	8
Preferred	18	17

TRUCKS SCALES HOISTS







Until it is proved to your satisfaction

Our engineers are not satisfied merely to take an order for a pumping plant, an electric motor or a diesel engine. They must be absolutely sure that the equipment will be adequate in every way—but even being sure from long experience is not enough—they will not rest content till the installation has proved itself to you in actual operation.

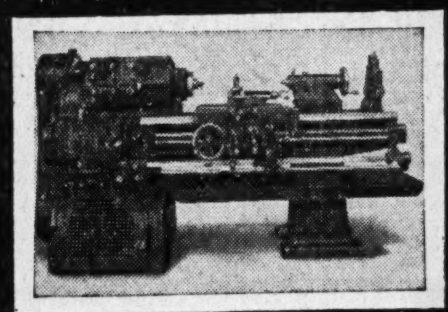
Long years of such practice in field and factory, in mine and mill have built up an engineering experience that is of real assistance in the selection and installation of the equipment best suited to the job.

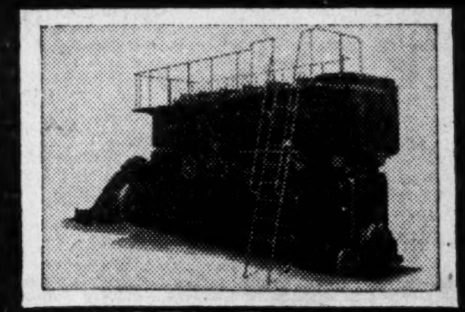
Our engineers will gladly consult with you, without charge or obligation.

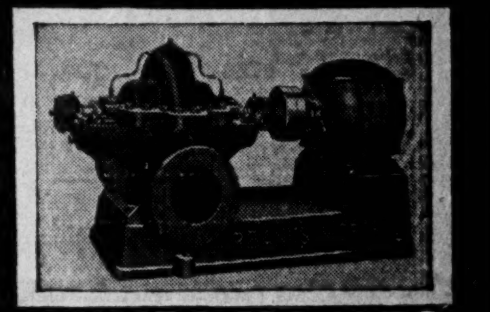
479

The CANADIAN **Fairbanks-Morse** COMPANY Limited

HALIFAX ST. JOHN QUEBEC MONTREAL OTTAWA TORONTO HAMILTON
WINDSOR KITCHENER LONDON FT. WILLIAM WINNIPEG REGINA SASKATOON
CALGARY EDMONTON VANCOUVER VICTORIA







MACHINE TOOLS DIESEL ENGINES PUMPS-MOTORS

STEEL

The Mainspring of Industry

WHEN railroads, manufacturers, builders, contractors, farmers and other users of steel products buy heavily—then, and only then is general industry active.

National progress and prosperity depend more upon steel than upon any other basic material.

In producing steel of the highest quality for all purposes, under its highly trained technical staff, Dominion Steel and Coal Corporation Limited plays a major part in the development of Canada toward permanent prosperity.

DOMINION STEEL AND COAL CORPORATION LIMITED

MONTREAL

Operating

IRON AND STEEL WORKS AT SYDNEY, N.S. .... STEEL RAILS, RODS, BARS, COKE
ROLLING MILLS AT MONTREAL, QUE. .... STRUCTURAL AND REINFORCING STEEL
WIRE AND NAIL WORKS AT ST. JOHN, N.B. .... NAILS AND WIRE PRODUCTS
FENCE AND WIRE WORKS AT MONTREAL, QUE. .... FENCING AND FINE WIRES
CAR WORKS AND STEEL PLANT AT TRENTON, N.S. .... RAILWAY CARS, AXLES, FORGINGS, ETC.
COAL MINES AT GLACE BAY, SYDNEY MINES, STELLARTON AND SPRINGHILL, N.S. .... STEAM, HOUSE AND GAS COAL
SHIPYARDS AND MARINE RAILWAY AT HALIFAX, N.S. .... SHIPBUILDING AND REPAIRING
RAILWAYS, SHIPS FOR OCEAN AND RIVER TRANSPORT

FORD MOTOR CO.

One of Romances of Modern Industry is Provided by Growth and Dividend Disbursements of This Company—Did Well in 1930

Ford Motor Co. of Canada will probably be found to have maintained its financial position better in 1930 than most Canadian companies even though the motor industry as a whole had the most severe depression in its history. The company's annual statement will probably not be available until nearly May, but it will show the company to have gained relatively a higher place in motor car production than it had in the previous year.

In the future the company will probably duplicate its record of increasing production and financial strength over a period of years with occasional set-backs for a year or two such as in 1927 and 1928 when the company changed over its whole plant for making the cars which are now being sold in different models throughout Canada and the world. The set-backs of the future are not expected for years to mean losses, but only years when profits are not as large as usual.

The company has the exclusive manufacturing and selling rights for Ford cars and trucks and Ford tractors in all parts of the British Empire, except Great Britain and Ireland. Its fields of activities include Canada, New Zealand, Australia, India, British South Africa, Federated Malay States, Newfoundland and British North Borneo.

Serves Wide-Flung Areas

It serves these wide-flung areas through its main plant at East Windsor, Ont., the assembly plant at Toronto, Montreal and Winnipeg, sales branches at Saint John, Montreal, Toronto, London, Winnipeg, Regina, Calgary and Vancouver in Canada, an assembly and distribution plant in South Africa, an assembly, distribution and body manufacturing plant in Australia, assembly and distributing plant in India and Malaya and an assembly and distribution plant at Bombay and Singapore.

Capitalization—

	Authorized	Outstanding
Class 'A,' n.p.v.	1,900,000 sh.	1,588,960 sh.
Class 'B,' n.p.v.	100,000 sh.	70,000 sh.

Class "A"—Ranks equally with Class "B," except that it is non-voting unless Class "B" shares outstanding fall below 20,000 shares when entitled to one vote for each share.

Class "B"—Carries full voting powers and may be exchanged for Class "A" share for share. For this purpose 100,000 Class "A" shares are reserved.

Funded Debt— None.

Dividend Record— Class "A" and "B"—$1.20 per share per annum, payable June and December. Dividends resumed with declaration of dividend of $1.20 per share and a bonus of 30c. paid June 23, 1930. Thereafter dividends as above.

Officers and Directors— Officers—W. R. Campbell, pres. and treas.; Geo. E. Dickert, 1st vice-pres.; P. E. Martin, 2nd vice-pres.; D. B. Greig, sec. and asst. treas.; G. G. Kew, asst. sec. Directors—Edsel B. Ford, chairman; Henry Ford, P. E. Martin, Detroit; George Dickert, East Windsor, Ont.; W. R. Campbell, Walkerville, Ont.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1929 $	1928 $	1927 $
Earn. from oper.†	5,461,104	‡4,583,488	......
Divs. rec. from affil. cos.	168,477	1,182,836	......
Net earnings	5,629,581	‡3,400,652	171,221
Less: Prov. for inc. tax	396,762	......	......
Net profit	5,232,819	‡3,400,652	171,221
Less appropriations: Dividends	......	......	1,050,000
Surplus	5,232,819	‡3,400,652	‡878,779
Add: Prev. surplus	24,454,684	27,855,336	28,552,579
Tax adjust.	3,692	......	181,537
Customs adjust.	71,709	......	......
Bal. car. for.	29,762,904	24,454,684	27,855,336

†After deduction of all charges for manufacturing, selling and general expenses, including depreciation; and, in all cases except 1929, taxes.
‡Deficit.

Earn. per Share and Div. Record—

Earned	**$3.15	$...	$2.45
Paid	...	...	15.00

**On 1,658,956 no par value shares outstanding.

Market Record—

	1930 H	1930 L	1929 H	1929 L
Class "A"	38½	18¾	70	15
Class "B"	58	36	172	31¼

DURANT OF CANADA

Automobile Manufacturer New Phase of Its Career—Possibly Without Affiliations in U. S.—Cash Position is Strong

Durant Motors of Canada, it is believed, is about to enter a new phase of its existence. Exactly what will be its relations with Durant of Delaware, remains to be seen but events have brought ownership of the controlling shares into purely Canadian hands.

It is understood from authoritative sources that the report for the year ended December 31, 1930, will show the company in a stronger cash position than before, although earnings undoubtedly will have declined materially from 1929. The 40 cents per share dividend, however, is not in danger, as the company has built up in the last several years, strong reserves of cash. The absence of bonds, bank indebtedness or other obligations will enable it to go through times of difficulty such as have prevailed recently without impairing the long-term prospects.

Management is Efficient

Although some authorities assert that an automobile factory cannot be operated on a basis of less than 25,000 units per annum, this opinion is refuted by the fact that Durant of Canada in years past has shown a substantial profit on a production considerably less. In fact, it is understood that there can be profits on an annual production 7,200 cars annually.

The present management of the company, headed by Roy D. Kerby, president and general manager, should be given credit for the immeasurably stronger position achieved by Durant of Canada in the last several years. The factory at Leaside (Toronto) is reputed to be one of the most efficient on the continent and the company has built up a strong and loyal dealer organization throughout the country.

There are several thousand shareholders. The stock was sold in almost every community in the country eight or nine years ago and the average holding of the minority shareholders is small. On the whole, it may be said that the body of shareholders is intensely loyal, although as yet the returns are not commensurate with the original investment.

Until there is a definite announcement as to the results of the negotiations now taking place, an opinion as to the future of this company is a difficult one at which to arrive. Yet there is confidence that the management is competent and anxious to go forward with any plans which will promote the interests of the company and its shareholders.

At the present time, Durant of Canada has all Canadian rights on the automobile bearing the Durant name, and that of Rugby truck. Parts and supplies are not necessarily bought from affiliated companies. There is a participation contract, whereby Durant of Delaware shares in profits above 8 per cent, but this can be cancelled on ten-days' notice. It is apparent that this contract has been of no benefit to the Delaware company in the last year.

Capitalization—

	Authorized	Outstanding
Common, Par $10.	$3,000,000	$2,848,180

About 60 per cent of the capital stock is owned by the Durant interests.

Funded Debt— None.

Dividend Record— Common—40 cents per annum, payable April and Oct. 1. Initial dividend paid Apr. 1, 1928.

Officers and Directors— Officers—R. D. Kerby, pres. and gen. mgr.; R. A. Vail, vice-pres.; J. A. Nichols, Jr., vice-pres., Detroit, Mich.; W. Zwiener, sec., Detroit; A. I. Philp, treas.; James A. Brand, compt., Toronto; P. J. Duggan, sales mgr.; F. B. Averill, factory manager. Directors—R. D. Kerby, Toronto; Fred J. Haynes, A. I. Philp, R. A. Vail, John A. Nichols, Jr., Detroit, Mich.

CONSOLIDATED INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1929 $	1928 $	1927 $
Net earnings	401,379	577,814	396,691
Less: Tax res.	356,250	51,860	39,155
Net profits	366,129	525,954	357,536
Less appropriations: Common divds.§	......	113,889	113,889
Surplus for year	366,129	412,065	243,647
Add: Prev. surp.	789,294	377,229	133,581
Bal. car. for'd.	1,155,423	789,294	377,228
Earn. Per Share and Div. Record: Common:			
Earned	$1.28	$1.85	$1.26
Paid**	0.40	0.40	....

§Dividends are paid in year following, in each case.
**Appropriated in previous year in each case.

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Common	10	3½	28	7	16¼	16

NATIONAL STEEL CAR

Company Consolidates Position Following Two Prosperous Years in Railroad Equipment Business—Plants Busy at Present

Recent orders for equipment awarded by the railroad companies have enabled National Steel Car Corp. to speed up operations at its plant. The company entered its current fiscal year, which began July 1, 1930, with a fair volume of business on hand.

This carry-over was completed, however, in the first quarter and plants have been slack up till reception of present orders. These orders comprise a contract for 250 refrigerator cars for the Canadian Pacific Railway and 1,000 50-ton steel frame box cars.

Has Consolidated Position

While it is not to be expected that earnings for the current fiscal year will equal those of 1929-30, the company has taken steps in the past two prosperous years to consolidate its position and fortify itself against lean periods.

Has Diversified Output

The business of railroad equipment companies is cyclical, but National Steel Car has taken steps to diversify its production to offset fluctuation in railway demands. In addition to manufacturing steel frames for automobiles, the company formed a subsidiary in November, 1930, known as National Boat Builders, Regd., to engage in the manufacture of motor boats. Operation of this unit will tend to keep the company's woodworking equipment in more continuous operation during otherwise slack periods.

Capitalization—

	Authorized	Outstanding
Common, No par value.	130,000 shs.	130,000 shs.

Funded Debt— None.

Dividend Record— Common—$2 per annum, payable quarterly, Jan., Apr., July and Oct. 1. Initial dividend of 50 cents paid Apr., 1929. Regularly since.

Officers and Directors— Officers—R. J. Magor, pres.; Hugh N. Baird, vice-pres.; Charles W. Adam, Hamilton, sec. and treas.; A. Van Hassel, New York, asst. sec.-treas.; Robt. S. Hart, Hamilton, mgr.; D. T. Main, Montreal, mgr. Directors—Robert J. Magor, chairman of board, Montreal; W. E. Phin, Hamilton; Russell D. Bell, Montreal; D. B. Dewar, Hamilton; Glyn Osler, K.C., Toronto; F. E. Meredith, K.C., and Hugh N. Baird, Montreal.

INCOME AND SURPLUS ACCOUNT
Years Ended June 30

	1930 $	1929 $
Net earnings†	1,803,791	602,229
Less: Bond int.	......	28,558
Res. for deprec.	405,984	212,136
Spec. w.o. bldgs., mach., etc.	250,000	......
Net profit	1,147,807	361,535
Less appropriations: Dividends	260,000	130,000
Surplus for year	887,807	231,535
Add: Cap. and surp.	4,651,558	2,170,023
Proceeds for sale of stock	......	2,250,000
	5,539,365	4,651,558

† After income tax.

Times Interest Earned: After depreciation ... 13.66

Earn. per Share and Div. Record:

	1930	1929
Common: Earned	$8.83	$2.78
Paid	$2.00	$1.00

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Com.	76⅛	29¾	142½	30	89½	34½

HAMILTON BRIDGE

Considerable Plant Expansion Carried Out Since Inception

Hamilton Bridge Co. has carried out considerable expansion since its inception in 1928. In addition to the original plant in Hamilton, the company has acquired a unit in Vancouver capable of producing 850 tons of structural steel a month, while a property has been acquired on the waterfront in Toronto having a monthly capacity of 1,000 tons of structural steel. The latter property has delayed operations until business conditions improve.

Capitalization—

	Authorized	Outstanding
1st Pref., Par $100.	$5,000,000	$2,250,000
Common, No par value.	100,000 shs.	100,000 shs.

Funded Debt— None.

Dividend Record— First Preferred—6½% per annum, cumulative, payable quarterly, Feb., May, Aug. and Nov. 1. Initial dividend paid May 1, 1928 and regularly since. Common—Initial dividend of 50 cents a share paid May 1930, and quarterly since.

Officers and Directors— Officers—James Playfair, chairman; W. B. Champ, pres.; Frank M. Ross, vice-pres.; A. E. Martin, treas.; F. G. Wilson, sec. Directors—James Playfair, chairman, Midland, Ont.; W. I. S. Hendrie, W. B. Champ, W. E. Phin, Major-General the Hon. S. C. Mewburn, K.C., C.M.G., Hamilton; Frank M. Ross, V. M. Drury, J. C. Newman, Montreal, Jas. A. Richardson, Winnipeg; George Cottrelle, Toronto.

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	*1929 $	1928 $
Net profit after deprec. & income tax	553,274	408,699
Less appropriations: 1st pref. divds.	146,250	146,250
2nd pref. divds.	16,219	55,125
	390,805	207,324
Add: Prev. surplus	207,324	......
Bal. carried forward	598,129	207,324
Earn. Per Share and Div. Record: 1st pref., earned	$24.59	$18.16
Paid	6.50	6.50
Common, earned	4.07	3.76

None paid.
*Consolidated income and surplus account.

CONSOLIDATED INCOME AND SURPLUS ACCOUNT
Six Months Ended June 30

	1930 $	1929 $
Sales, etc.	1,511,103	1,812,157
Add: Outlay on contracts, etc.	259,940	447,336
Total income	1,762,043	2,259,493
Less: Oper. exp.	1,580,546	2,004,963
Net oper. profit	181,497	254,530
Add: Inc. from invest.	7,567	6,266
Att. to Western Bridge	58,542	......
Net profit	247,606	260,976
Less appropriations: Pref. dividends	73,125	97,781
Surplus for period†	174,481	163,015

†Before making provision for depreciation and income tax and common dividends.

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Com.	38¾	15	79	21½	49½	23
1st pref.	90	70	95	86	92	88

NIAGARA WIRE

Niagara Wire Weaving Co. manufactures wire mesh cloth, wire weaving machinery and similar products under Canadian patents covering the inventions of Hamilton Lindsay. Principal products are fine mesh wire screens which are an essential part of Fourdrinier paper making machines.

The company's operations are closely allied with those of the newsprint industry and sales are liable to vary in proportion to activities in the paper mills.

Capitalization—

	Authorized	Outstanding
Preferred	22,000 shs.	22,000 shs.
Common (n.p.v.)	†62,000 shs.	40,000 shs.

†22,000 shares reserved for conversion of preferred shares.

Funded Debt— None.

Dividend Record— Preference—$3 per annum, cumulative from Apr. 1, 1929, payable quarterly. Initial dividend paid July 2, 1929, and regularly since. Payable Jan., Apr., July and Oct. 1. Common—Present rate $1.50 per share per annum, payable quarterly, Jan., Apr., July and Oct. 1; Initial dividend of 50c paid Jan. 2, 1930; similar payment April 1, 1930. 37½c. paid July 2, 1930.

Officers and Directors— Officers—Hamilton Lindsay, chairman of board; E. J. Buell, pres. and man. dir. Directors—Hamilton Lindsay, A. F. Crossman, Cleveland, Ohio; Hon. H. Cockshutt, Brantford; G. M. M. Edwards, Ottawa; E. J. Buell, Niagara Falls, Ont.; F. E. Meredith, K.C., J. C. Kemp, Montreal.

INCOME AND SURPLUS ACCOUNT
Year Ended March 31, 1930

Net profit, after all exp., deprec. & inc. taxes	172,845
Less: Adjust. of sec. to market value, after applying inc. from int. & divs.	9,007
	163,838
Less appropriations: Preference dividends	66,000
Common dividends	40,000
Stock purchase fund	36,300
Surp. for year, and bal. car. fwd.	21,538
Earn. per Share and Div. Record: Preference: Earned	$7.45
Paid	3.00
Common: Earned	2.45
Paid	1.00

Market Record—

	1930 H	1930 L	1929 H	1929 L
Common	21	17	28	18
Preferred	45	35	47	35

Cooksville Co.

The Cooksville Co., through its own and subsidiary organizations, manufactures brick, hollow tile, concrete blocks and a product known as haydite used in place of gravel in mixing concrete. Operations are carried on in four plants in Ontario and one near Montreal.

Capitalization—

	Authorized	Outstanding
Preferred, Par $100.	$400,000	$400,000
Common, Par $100.	1,600,000 shs.	1,600,000 shs.

Funded Debt— First mortgage 6 per cent bonds. Issued May 1, 1929, due May 1, 1949. All issued as collateral against loan from Bank of Montreal and directors of company. Authorized, issued and outstanding, $1,000,000.

Dividend Record— Preferred—7 per cent per annum, cumulative from Sept. 1, 1920, payable quarterly, Mar., June, Sept. and Dec. 15. Initial quarterly dividend of $1 paid Dec. 15, 1926, and regularly at same rate thereafter. In arrears 51¾ per cent as at Dec. 31, 1929. Common—None paid.

Officers and Directors— Officers—C. G. Greenshields, K.C., pres.; Col. E. M. Renouf, vice-pres.; Wm. Taylor, sec.-treas. Directors—C. G. Greenshields, K.C., Col. E. M. Renouf, J. N. Greenshields, K.C., D. Milton, L. Hersey, H. W. Beauclerk, Montreal.

CONS. INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1929 $	1928 $
Oper. profit, after inc. tax	310,178	309,527
Less: Depr. & depletion	116,851	104,430
Net profit	193,327	205,097
Less: Pref. dividends	16,000	16,000
Surplus for year	177,327	189,097
Add: Previous surplus	492,974	303,777
Balance carried forward	670,201	492,874

*Consolidated report for 1929.

Earn. per Share and Div. Record:

	1929	1928
Preferred: Earned*	$48.33	$51.27
Paid	4.00	4.00
Common: Earned*	1.11	1.18

None paid.
*Before making provision for arrears of preferred dividends.

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Com.	35	30	45	20⅛	..	..
Pref.	85	85	86	63	60	60

MASSEY-HARRIS CO.

Canada's Leading Manufacturer of Farm Machinery and Implements Has World-Wide Interests—Agricultural Depression Causing Losses

Massey-Harris Company has wide-flung interests in every main agricultural country of the world. It manufactures a complete line of more than 1,000 types of farm implements and machinery in order to meet the varying needs of farmers on every continent and in every clime. The chief products of this company and its subsidiaries include reaper threshers, drills, cultivators, harrows, plows, reapers, binders, mowers, waggons and tractors.

The company has through most of the present century had a growing export business. In the last decade, however, the increasing tendency of countries with agricultural population to protect the makers of agricultural machinery has led the company to manufacture behind tariff barriers wherever its products had already become firmly established through export sales.

The company's year, which ended Nov. 30, 1930, was, and the current year of 1931, is of exceptional difficulty for farm implement companies. The drop in price of wheat and other grain to the lowest point of the century and almost of all times, has rendered the credit business in all countries very hazardous for farm implement companies. This company has navigated through similar periods of stringency on various occasions since its formation. The company is at present looking for a new general manager to take the place of Thomas Bradshaw, who has just resigned as president and general manager of the company.

Passed Common Dividend

In October of this year the company passed payment on its common stock, the directors believing it to be in the best interests of the shareholders to conserve its resources, maintain its affairs in a sound position and prepare to take advantage of the better times which are certain to follow, to quote the statement of Thomas Bradshaw. This action was mainly in view of the impairment of the current position of the farmer to meet his obligations.

In January, the dividend on the preferred shares was passed.

On the encouraging side the company's business in Canada is expected to be helped because of the readjustment of the Canadian tariff on farm implements, which makers believe will give a larger share of the Canadian business to the industry.

A practically prohibitive tariff in Australia led the company to amalgamate Australian interests with H. V. McKay Proprietary of Melbourne, Australia, the largest and most important agricultural implement manufacturer in that country. Massey-Harris is now a substantial shareholder in that enterprise.

Bank Loans Higher

It is expected that the next annual report of the company will show current liabilities considerably increased. On November 30, 1929, accounts and bills payable including bank advances were shown at $5,604,951. A larger bank loan is expected to be shown. Inventory on November 30, 1929, stood at $31,814,545. It is possible they will be shown still higher in the new report. Bills and accounts receivable stood at $22,810,950. This account will probably need a considerable time to liquidate. No doubt the company will receive some benefit from the revolving loan funds proposed for Western Canada.

Capitalization—

	Authorized	Outstanding
Pref. 5%, Par $100.	$15,000,000	$12,089,900
Common, No par value.	1,000,000 sh.	725,970 sh.

Funded Debt— Sinking fund gold debs., 5 per cent, due 1947, outstanding $10,371,500. Guaranteed Bonds—In addition to its own debentures, the company in 1928, assumed the outstanding issue of $1,029,000 of 5 per cent bonds of the plant acquired at Racine, U.S.A. Of this amount $293,800 has been purchased by the parent company and is held in the treasury, leaving outstanding as at Nov. 30, 1929, $735,200. The bonds are guaranteed by Massey-Harris Co., Ltd.

Dividend Record— Preferred—Cumulative, convertible 5 per cent per annum. Initial dividend of 1¼ per cent paid Aug. 15, 1929. Payable quarterly, Feb., May, Aug. and Nov. 15. Dividend due Feb. 16, 1931, deferred. Common—Initial dividend of 75 cents paid April 15, 1929, and paid regularly quarterly to July, 1930; since passed.

Officers and Directors— Officers—Joseph N. Shenstone, chairman; T. A. Russell, acting pres.; C. L. Wisner, vice-pres.; George Valentine, vice-pres.; C. N. Appleton, sec. Directors—Jos. N. Shenstone, E. R. Wood, Geo. Valentine, C. S. Blackwell, C. L. Wisner, T. A. Russell, J. H. Gundy, A. S. Patterson, R. W. Gifford, O. H. Shenstone, B. S. Harris, Toronto; W. J. Verity, Brantford, Ont.; Frank P. Jones, Montreal; G. W. McLaughlin, Oshawa; Geo. White, Racine, Wis.

CONSOLIDATED INCOME AND SURPLUS ACCOUNT

	1929 $	1928 $	1927 $
Inc. from oper.	4,740,915	4,072,915	3,866,601
Add: From sale of assets	127,991	835,218	......
Total income	4,868,906	4,908,133	3,866,601
Less: Deprec.	745,036	708,121	686,630
Int. on borrowings	448,542	135,260	685,558
Bond int. & exp.	609,835	719,127	......
Taxes	210,000	220,000	151,320
Pension fund	54,680	47,840	27,900
Bad debts	......	340,606	165,919
For. exch. & conting.	......	26,261	......
Net profit	2,800,813	2,710,918	2,149,274
Less approp.: 7% pref. div.	423,147	846,293	846,293
5% pref. div.	302,247	......	......
Com. div.	1,269,439	......	......
Surp. for year	805,980	1,864,625	1,302,981
Add: Prev. surp.	6,982,098	5,123,418	‡3,820,437
Less: Bond disc. & exp.	900,970	......	......
Prem. on 7% pref. sh. redeem.	1,100,770	......	......
Adjustments	......	5,945	......
Bal. car. for'd	5,786,338	6,982,098	5,123,418

‡Previous surplus adjusted to consolidation of subsidiaries accounts.

Times All Interest Earned:

	1929	1928	1927
Before deprec.	4.60	5.74	5.64
After deprec.	3.90	4.92	4.64

Earnings Per Share and Dividend Record:

	1929	1928	1927
7% Preferred: Earned§	$..	$22.42	$..
Earned**	..	15.52	17.78
Paid	3.50	7.00	7.00
5% Preferred: Earned§	23.17	..	..
Earned**	22.11	..	..
Paid	2.50	..	..
Common: Earned§	2.86	3.86	..
Earned**	2.68	2.13	10.78
Paid	2.25	..	..

§Including income received from sale of assets. **Excluding income received from sale of assets.

Six Years' Earnings—

	Earnings	Dividends	Surplus
1924	$1,065,180	$........	$ 818,710
1925	3,007,682	....	2,359,883
1926	3,005,220	846,293	3,509,358
1927	3,866,601	846,293	5,123,418
1928	4,072,916	846,293	6,982,098
1929	4,740,915	1,994,833	5,786,338

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Com.	45	9⅝	99½	32½	97	36¾

COCKSHUTT PLOW

Company Busily Adjusting Production Policies to Slump Conditions—Reduced Dividend to Conserve Cash—Tariff is Help

Cockshutt Plow Co. has reduced common dividends because it earned 58 cents a share in 1930 of the $1.50 a share necessary to pay annual dividend on the 288,600 no par value common shares outstanding.

This is a rather good showing in view of the fact that the company faced a condition created by a greater drop in the purchasing power of the farm communities of Canada than had been experienced in the century. All manufacturers of agricultural implements had to meet the same situation, but this is the first company whose report indicates that, in spite of the drop in the volume of trade and the reduced buying power of the farmer which both prevented him from making new purchases and from meeting his current obligations as readily as before, it is possible to make an operating profit after depreciation, accounts written off and provision for taxes and unadjusted claims and provision for doubtful accounts in 1930.

Adjusting Itself to Slump

The company is also adjusting itself to the new situation. It hopes that the general situation will improve by an adjustment between the farmer's production costs and the prices he receives for his products, but the engineering department has been working to capacity in the development of new implements to meet the demand for lower crop production costs and some exceptionally well-designed machines, says Colonel Henry Cockshutt, president, are under construction for the market this coming season.

This company should benefit with other Canadian companies from the additional tariff protection given.

Tariff Rise Helps

In addition to its own manufactured products, the company started handling Allis-Chalmers tractors in 1930. As the company's export trade in 1929 was only one-third of its production, the tariff protection given last year is expected to help the company make up by domestic sales what it may lose in export sales during the present world-wide drop in farmer purchasing power.

In spite of the big drop in Western business it is understood Eastern business stood up pretty well during the past year. Affiliated companies, Frost & Wood, and Canada Carriage, appear to have done well.

The stock is actively traded on the four exchanges where it is listed. Trading for some time will be somewhat limited by the uncertain aspect of the agricultural situation, but the fact that the common stock is the only security and that the company has a strong working capital position makes the stock attractive for a hold in view of the fact that, when agricultural prices once more take an up-trend, the company should have a quick come-back.

Capitalization—

	Authorized	Outstanding
Common (n.p.v.)	500,000 shs.	288,600 shs.

Funded Debt— None.

Dividend Record— Common—60c. per annum, payable quarterly, Feb., May, Aug. and Nov. 1. Initial dividend of 75 cents paid Feb. 1, 1929, for the two quarters ending Dec. 31, 1928. Paid regularly since. Rate reduced from $1.50 to 60c. per annum Feb. 1, 1931.

Officers and Directors— Officers—Col. Henry Cockshutt, chm. of board and pres.; Frederick Perry, 1st vice-pres.; Arthur K. Bunnell, 2nd vice-pres.; E. A. Mott, treas. and gen. mgr.; Edmund Sweet, sec.; W. J. Phillips, asst. sec.; George K. Wedlake, works mgr.; W. B. Seace, pur. agent. Directors—Col. Henry Cockshutt, Arthur K. Bunnell, Brantford, Ont.; George A. Baker, Toronto, Ont.; Frederick Perry, W. C. Pitfield, Montreal.

INCOME AND SURPLUS ACCOUNT, YEARS ENDED*

	Nov. 30 1930 $	††Nov. 30 1929 $	Dec. 31 1928 $
Net earn. after deprec.	327,800	‡875,860	‡827,451
Less: Prov. for taxes and other unadj. claims	10,555	68,247	54,936
Prov. for doubt. accts.	150,000	......	......
Net profit	167,245	807,613	772,515
Less approp.: Com. div.	432,900	324,675	216,450
Sur. for year	†265,655	482,938	556,065
Add: Prev. sur.	1,004,899	479,917	570,352
Surp. from sale of Adams Wagon Co.	......	142,044	......
Less: Pref. stock conv. pay.	......	......	646,500
Trans. to merch. res.	......	100,000	......
Bal. car. for.	739,244	1,004,899	479,917

*In 1929 the fiscal year was changed to end Nov. 30.
†† 11 month period. ‡After provision for doubtful accounts.

Ten Years' Earnings—

Year	Earnings	Dividends	Surplus
1921	$624,292	$258,600	$251,761
1922	5,657	258,600	3,193
1923	98,636	387,900	116,277
1924	64,346	64,650	54,302
1925	313,506	......	70,092
1926	305,450	258,600	116,942
1927	448,690	......	570,352
1928	827,451	216,450	479,917
1929	875,860	324,675	1,004,899
1930*	327,800	432,900	739,244

*For 11 months.

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Common	25	9	53	16	44⅝	23

Milton Brick

Investment interest in Milton Brick Co. is confined to the bonds, of which there are now about $270,000 outstanding. The company does not publish its report but it is understood that there is good security and ample earnings to take care of this issue.

Capitalization—

	Authorized	Outstanding
Common	$1,500,000	$841,000

Funded Debt— 6½% First mortgage sinking fund bonds, dated April 1, 1925, due $50,000 April 1, 1930; $75,000 April, 1935; $225,000 April, 1940; outstanding $270,400.

Officers and Directors— J. S. McCannell, pres.; Wm. S. Kerman, W. J. McKenna, sec.; Mrs. J. S. McCannell, J. D. McCannell, Toronto; F. R. McCannell, vice-pres., Milton.

CANADA FOUNDRIES

Company Makes Reasonable Progress Under Trying Conditions

While earnings of Canada Foundries & Forgings Ltd., will be lower in 1930 than in 1929, it is expected that they will be sufficient to take care of dividend requirements on the "A" shares. Prospects for improved operations are seen in the awarding of railroad equipment orders.

The heavy forge plant at Welland has been kept in operation throughout the year, which is considered satisfactory in face of several shutdowns in the majority of forge plants in Canada during 1930.

Capitalization—

	Authorized	Outstanding
Class "A" (n.p.v.)	80,000 sh.	38,400 sh.
Class "B" (n.p.v.)	40,000 sh.	9,600 sh.

Class "A" has preference as to non-cumulative dividends of $1.50 per share, when declared payable, and to $35 per share in the event of voluntary liquidation. Participates equally with Class "B" for dividends after $1.50 per share has been paid on Class "B."

Funded Debt— 6% First Mortgage Bonds, due 1942. Outstanding $214,635 (including accrued interest).

Dividend Record— Class "A"—$1.50 per annum preferred, non-cumulative, payable 15 Jan., April, July, October. Initial dividend paid for quarter ending Oct. 15, 1928. Class "B"—Entitled to dividend of $1.50 after dividend of $1.50 shall have been paid on "A" shares in any one year. Shares equally with "A," class for class, in any further distribution of earnings.

Officers and Directors— Officers—W. M. Weir, pres.; Rt. Hon. Geo. P. Graham, vice-pres.; E. S. Day, sec.-treas., Brockville, Ont. Directors—W. M. Weir, Jas. Arnold, Chas. W. MacLean, C. N. Monsarrat, C.E., W. D. Robb, H. J. Trihey, Montreal; Gordon C. Edwards, John Gleeson, Ottawa; Rt. Hon. Geo. P. Graham, Brockville, Ont.; H. B. Housser, Toronto.

INCOME AND SURPLUS ACCOUNT, Years Ended December 31

	1929 $	1928 $	1927 $
Net earn. from oper.§	208,725	161,889	125,819
Less: Adminis. exp.	31,336	27,349	27,048
Int. on loans	13,668	9,886	11,794
Int. on bonds	12,803	13,434	13,434
Net oper. profits	150,918	111,220	73,543
Less approp.: Div. paid	57,600	57,600	48,000
Sur. for year	93,318	53,620	25,543
Add: Prev. sur.	403,049	1,103,429	1,077,886
Less: Adjust.	......	754,000*	......
Bal. carr. fwd.	496,367	403,049	1,103,429
Times all Int. Earned§	7.89	6.94	4.99

§After providing for repairs, bad and doubtful debts, and depreciation yearly.
xDeficit.
*Consisting of: $414,000, Adjustment of Preferred Stock and writing down goodwill; $340,000, allowance for further depreciation by income tax department.

Dividend Record and Earnings on Capital Stock (per Share)—

Earnings per Share and Dividend Record:

	1929	1928	1927
Pref. Earn.	..	**$11.58	$7.66
Paid	..	3.00	5.00
Common: None earned or paid.			
Class "A": Earn.*	3.93	†2.90	..
Earned‡	2.53	1.97	..
Paid	1.50	.75	..
Class "B": Earned*	9.72	†5.58	..
Earned‡	5.61	3.39	..
None paid.			

**Earnings on basis of old shares (9,600 preferred and 9,600 common shares).
†Earnings on basis of new shares of no par value (38,400 Class "A" and 9,600 Class "B").
*Before taking into consideration the equal distribution rights of both classes of shares after payment of $1.50 to Class "A" and "B" shares.
‡After taking into consideration the equal distribution rights of both classes of shares after payment of $1.50 to Class "A" and "B" shares.

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Class "A"	20	10	31	12	24	20
Class "B"	16	5	32	20	20	20

Beach Foundry Ltd.

Beach Foundry Ltd., manufactures gas and electric ranges, wood and coal stoves, heaters and hot air furnaces at its plant in Ottawa. Branches are maintained at Toronto, Winnipeg, Calgary, Edmonton and Vancouver.

The business has been carried on for some 36 years and in addition to having a coast-to-coast distribution of its products it has done some export business. The company offered $300,000 of 7 per cent first mortgage bonds in 1927 and $150,000 of 7 per cent cumulative preferred stock of $100 par value in 1928.

Capitalization—

	Authorized	Issued
7% cum. pref. $100.	$600,000	$150,000
Common n.p.v.	40,000 shs.	17,820 shs.

Preferred—Preferred as to assets and dividends. Callable within three years from Sept. 1, 1928 at 107 and thereafter at 105.

Funded Debt— 1st mortgage sinking fund bonds, 7%, issued $300,000.

Dividends—Preferred, 7% cumulative per annum, payable quarterly. Cumulative from Sept. 1, 1928.

Officers—B. C. Beach, pres.; O. A. Beach, vice-pres.; A. L. Acton, sec.-treas.; D. L. Beach, Aaron Sweet.

CANADIAN GENERAL ELECTRIC

Manufacturer of Great Variety of Equipment and Appliances Has Strengthened Its Position Enormously Under Present Management

Canadian General Electric Co. is one of the most important of Canadian industrial institutions, employing more than 5,000 persons, and through the manufacture of generators and related equipment, is contributing to the development of the nation.

There are several plants. The main plant is at Peterborough where are made several hundred varieties of equipment, from some of the largest generators to tiny motors. The Davenport works at Toronto is largely engaged in making transformers and circuit breakers and taking care of the foundry business for all plants. The architectural bronze and iron works, Toronto, is a department not directly related to the electrical industry but which is a valuable asset of the company.

Dividend Prospects Good

Canadian General Electric Co. for the last several years has been controlled by General Electric Co. in the United States. Management however, is almost entirely Canadian and the percentage of Canadian manufacture of all products has been increasing at a rapid rate, especially since the change of control. The Canadian company has the right, without royalties or other fees, to the use of all patents developed and marketed by the parent company. It also has the privilege of consultation with and assistance from the laboratory staff of the parent company.

The position of Canadian General Electric has been improved in recent years for three principal reasons: (1.) The industry has been expanding rapidly. (2.) Great strides have been made by the management in modernizing plants. (3.) Plants have been written down to a very conservative figure.

From 1923 until the beginning of 1930, no dividends were paid on the common stock, the greater part of the earnings above preferred requirements going to writing down of plant. But a $3 rate was inaugurated in 1930 and at the end of the year $1 bonus was paid. The dividend prospects on this stock are excellent. The preferred stock ranks as a gilt-edged investment.

Capitalization—

	Authorized	Outstanding
Common	$18,000,000 (Common and Preferred)	$9,442,250
Preferred, Par $50.		$8,557,750

Funded Debt— None.

Dividend Record— Preferred—7% per annum, cumulative, payable quarterly, Jan., Apr., July and Oct. 1. Common—$3 per share per anum, payable quarterly, Jan., Apr., July and Oct. 1. None paid from 1924 until payment resumed April 1, 1930. A bonus of $1 paid Jan. 1, 1931.

Officers and Directors— Officers — A. E. Dyment, chairman of board; D. C. Durland, pres.; S. Haas, vice-pres.; J. J. Ashworth, gen. mgr.; J. A. Bremner, asst. gen. mgr.; W. H. Nesbitt, sec.; E. I. Jenking, treas. Directors—A. E. Dyment, H. C. Cox, D. C. Durland, J. J. Ashworth, G. W. Beardmore, Stephen Haas, W. L. Matthews, W. D. Ross, A. M. Stewart, K.C., J. H. Black, Toronto, Ont.; Sir Herbert Holt, J. C. Smith, Montreal, Que.; E. G. Patterson, Peterborough, Ont.; J. A. Richardson, Winnipeg, Man.; W. J. Blake Wilson, Vancouver.

CONS. INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1929 $	1928 $
Net earnings	5,337,028	4,494,666
Less: Depreciation	908,143	800,000
Net profits	4,428,885	3,694,066
Less appropriations: Pref. dividend	599,043	599,043
Surplus for year	3,829,842	3,095,623
Add: Prev. surplus	3,204,625	2,974,874
Less: Adj. plant valuation	3,446,394	2,865,871
Surplus carried forward	3,588,073	3,204,626
Earn. per Share and Div. Record: Preferred: Earned	$25.88	$21.59
Paid	3.50	3.50
Common: Earned	20.28	16.40
Paid	...	...

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Com.	420	250	405	135	140	70½
Pref.	65½	58	62	56	63	56

BUILD CANADA

BY

Purchasing Canadian Products

◆

When Making Your Contracts

Specify

Made in Canada Steel Plate

Rolled up to 60" wide

BY

DOMINION FOUNDRIES AND STEEL LIMITED

Hamilton, Ontario

CONSOLIDATED MARINE COMPANIES LIMITED

OPERATING

General Dredging Contractors Limited
Dredging Contractors

Manseau Shipyards Limited
Shipbuilders and Repairers

Sorel Mechanical Shops Limited
Engineers, Founders, Machinists and Shipbuilders

Beauchemin & Fils Limited
Producers of Annealed Castings, Manganese Steel and Chrome Steel Castings

Suite 712, Dominion Square Bldg. - Montreal

NAT. SEWER PIPE

Increased Financial Strength Notably in 1930 Despite Depression

National Sewer Pipe Co., which is the largest organization in the Dominion engaged in the manufacture of vitrified clay products, managed by its operations in the fiscal year ended October 31, 1930, to increase its liquid strength and the ratio of its current assets to current liabilities from 8.5 to 1 at the end of 1929 to 15.8 to 1, October 31, 1930.

Officers and Directors—
Officers — Hon. Henry Cockshutt, LL.D., chm. of board; Ryland H. New, pres. and gen. mgr.; J. R. L. Starr, K.C., vice-pres.; Charles H. Wallace, gen. sales mgr.; H. F. Dingledine, cer. eng., prod. mgr.
Directors—Hon. Henry Cockshutt, LL.D., Brantford, Ont.; Ryland H. New, J. R. L. Starr, K.C., Charles H. Wallace, H. F. Dingledine, cer. eng., F. J. Coombs, H. A. Hall, Toronto.

Earn. per Share and Div. Record:

Class "A"—Earned	$7.23	$7.36
Paid	2.40	1.20
Common—Earned	2.71	4.62
Paid	1.50	†

† A dividend of $2 per share on the common stock was declared and paid after the close of the 1929 fiscal year, covering operations to Oct. 31, 1929, and in consequence is included in the 1930 income and surplus account.

INT. PAINTS, CAN.

Company Makes Satisfactory Progress in Past Two Years

International Paints, Canada, has maintained a satisfactory record since its inception in 1928. The company, which is a subsidiary of International Paint and Composition Co. of London, also controls the National Varnish Co. of Canada and the Holland Varnish Co.

The shares of International Paints, though not thoroughly seasoned as yet, possess certain attractions in the light of a hold.

Officers and Directors—
Officers—General J. W. Stewart, pres.; F. M. Ross, vice-pres.; J. H. Davey, gen. mgr.; T. H. Greenbank, sec.-treas., Montreal.
L. L. Gordon, Commander B. L. Johnson, Directors—Gen. J. W. Stewart, E. J. Coyle, Vancouver, B.C.; Frank M. Ross, C. H. Temple, Norman Holland, Hugh N. Baird, Hon. A. K. Hugessen, Montreal, P.Q.; E. P. Newcombe, K.C., Ottawa, Ont.; James Playfair, Midland, Ont.; A. G. H. Ward, Sir George M. W. Macdonogh, G.B.E., K.C.B., K.C.M.G., London, England.

Earn. per Share and Div. Record:*

Preferred:		
Earned†	$4.12	$5.25
Earned‡	2.25	2.62
Paid	2.25	2.25
Common "A" and "B":		
Earned†	1.87	3.00
Earned‡	1.87	2.62
Paid	1.00	1.00

*According to the by-laws of the company, a general reserve is set aside annually of 10 per cent of net earnings after deducting depreciation. The earnings per share are, therefore, based on the net profits as shown above and after deducting the amount transferred to general reserve.
† Before taking participation provisions into consideration.
‡ After taking participation provisions into consideration.

Market Record—

	1930 H	1930 L	1929 H	1929 L
Class "A"	17½	10	25½	15

DOM. FOUNDRIES & STEEL

Dominion Foundries & Steel, Ltd., Hamilton, Ont., is a company which gradually, if slowly, has been improving its position in recent years. Preferred dividends are now in arrears some 70 per cent. A tentative plan for reorganization of the capital structure was announced a year ago, but this has been deferred until conditions in the industry have improved. Meanwhile, in 1929, shareholders received 1½ per cent by way of arrears.

Both preferred and common shares still must be considered highly speculative, but there has been a definite improvement in the situation. Bonds with the public total only $112,000.

Officers and Directors—
Officers—C. W. Sherman, pres.; W. J. Verity, vice-pres.; F. A. Sherman, gen. mgr.; A. G. Wright, sec.
Directors—C. W. Sherman, Hamilton; W. J. Verity, Brantford, Ont.; G. H. Levy, Hamilton; Jos. Ruddy, Brantford, Ont.; S. A. Crone, New York; Frank A. Sherman, A. G. Wright, G. H. Gordon, Hamilton; S. Burrows, Belleville.

Earn. per Share and Div. Record:

Preferred:			
Earned†	$25.70	$0.64	$0.26
Paid	1.50	....	....
Common:			
Earned*	4.24	....	....
None paid on common.			

*After full year's dividend on preferred but not taking arrears into consideration.
†Before taking arrears into consideration.

Market Record:

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Common	14	10	29	16	20	5
Pref.	90¼	76	54	54	42	42

CANADA PAVING

Canada Paving & Supply Corp. has been receiving enough contracts in the Border Cities during the latter part of December to assure it considerable work throughout 1931.

Earn. per Share and Div. Record:

7% Preference: Earned	$10.39
Paid	7.00
6% Preference: Earned	5.42
Paid	Nil
Common: Earned	Nil
Paid	Nil

Market Record—

	1930 H	1930 L	1929 H	1929 L
Common	20	2	41	16
Preferred	94	58	135	85

EASTERN STEEL

Eastern Steel Products, which manufactures fireproof building materials and ready-made buildings, had a year sufficiently profitable in 1930 to enable it to pay a dividend of 50 cents a share on the common stock, together with a bonus of $1 per share, which was payable on January 2, 1931, to holders of record December 20, 1930. Though the company's net profits were not as much as in the year 1929, the company improved its financial position to such an extent that its current assets were 9.16 times the current liabilities as compared with 5.78 times a year earlier.

PRELIMINARY STATEMENT INCOME AND SURPLUS ACCOUNT
Year Ended Nov. 30, 1930

Net earnings*	$188,000
Less: Pref. dividends	33,900
Common dividends	58,000
Common bonus	58,000
Balance carried forward	$38,100

*After depreciation, income tax and all other charges.

Earn. Per Share and Div. Record—

Preferred:	
Earned	†$41.58
Paid	7.00
Common:	
Earned	2.66
Paid	$1+$1

†Based on 4,521 preferred shares outstanding as at November 30, 1930.

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Com.	35	26	53	32	38	22
Pref.	100	97	101	98	99½	94

CAN. LOCOMOTIVE

Passing of Dividend Presages Poor Year for Earnings

Canadian Locomotive Co. has been engaged in the manufacture of steam and electric locomotives since 1855 and is the principal Canadian company in this field. It also produces boilers and heavy drop forgings and, in 1926, added mining machinery to its lines. In the latter field it does some export business.

While no statement has been made as to earnings during the past year it is believed that the company has been adversely affected by decreased purchases by the railroads and this condition is reflected in the passing of the preferred dividend for the first time.

Officers and Directors—
Officers—Wm. Harty, pres. and chm. of board; Wm. Casey, vice-pres. and gen. mgr.; G. W. Daly, sec.; J. Fournier, treas.
Directors—Wm. Harty, Cornelius Bermingham, Wm. Casey, Kingston; F. G. Wallace, Pittsburgh, Pa.; H. F. Osler, Winnipeg, Man.; J. F. M. Stewart, Toronto; W. F. Angus, Montreal.

Times Bond Interest Earned—			
After deprec	0.98	....	2.40
Earn. per Share and Div. Record—			
Preference:			
Earned	....	....	$7.43
Paid	$7.00	$7.00	7.00
Ordinary:			
Earned	....	....	0.32
Paid	....	....	....

* Deficit.
x Net loss.

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Common	25	25	61	35	40	25
Pref.	76	25	92	68	87	70

PRESSED METALS

Gradual Diversification of Products and Markets is Improving Investment

Pressed Metals of America, Inc. operates a plant at Marysville, Mich., which in years past has been engaged principally in making bearings by the extrusion process for automobile engines. These bearings still are the mainstay of the plant so that in the last year or more operations have been at low ebb.

The extrusion process is being developed and improved and the company has been widening it's range of products. In addition, an intersting new product is a spring shackle for automobiles which is believed to be an improvement on shackles now generally in use.

Officers and Directors—
Officers — J. W. Leighton, pres.; C. C. Peck, vice-pres.; W. P. Carson, sec.; H. L. Nussbaum, asst. sec.; C. C. Peck, treas.
Directors—Avern Pardoe, chairman of the board, Toronto; C. C. Peck, J. W. Leighton, Port Huron, Mich.; H. L. Nussbaum, A. P. Holden, Toronto; S. Goldsmith, M. Rosenberg, New York.

Earn. per Share and Div. Record:

Preferred:			
Earned		...	$39.88
Paid		7.00	7.00
Common:			
Earned		1.04	1.19
Paid		1.00	*

*$2.50 on old and $0.25 on new.

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Com.	24	9½	42	19	21	17½

PERFECTION GLASS

Capital Reorganization Will Put Stock on Better Basis

Perfection Glass Co. is in process of reorganization and a new company, Provincial Glass Co., is being incorporated under Dominion charter to take over the business of the present company. Shareholders will exchange their shares for shares of the new company on the basis of 10 shares of Perfection Glass for each share of Provincial Glass. Patents formerly carried at a value of $900,000 will be written down to $1.

Officers and Directors—
Officers—A. W. Holmested, pres.; Duncan McLaren, vice-pres.; R. A. Newcombe, gen. mgr.
Directors—A. W. Holmested, Duncan McLaren, L. A. Delaplante, Toronto; J. J. McFadden, Spragge, Ont.; J. P. Anglin, F. E. Smith, Montreal.

Earn. per Share and Div. Record:

Common—Earned	$0.18	$0.13
Paid	...	...

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Com.	2¼	½	5	1	8¾	1⅝

CONSOL. MARINE

Company Represents Merger of Well Established Concerns

Consolidated Marine Companies Ltd., was formed in 1930 to acquire and consolidate the businesses of Manseau Shipyards Ltd.; General Dredging Contractors Ltd.; Sorel Mechanical Shops Ltd.; and Beauchemin and Fils Ltd. These four companies are closely allied in the marine dredging and construction business.

Last year General Dredging was awarded one of the largest dredging contracts given out in recent years, comprising completion of the 35-foot ship channel between Montreal and Quebec. Other contracts included dredging work in connection with establishment of Lucerne-in-Quebec at Montebello and improvements to the harbor at Port Alfred for Saguenay Terminals Ltd.

BEATTY BROS.

Beatty Bros., Ltd., is a manufacturer of washing machines, ladders, churns, baskets, laundry equipment and barn and stable equipment, etc. There has been public investment interest for about two years, but the business dates back to 1874.

Earn. per Share and Div. Record:

First pref.: Earned	$49.78	$58.81
Paid	6.00	3.00
Second pref.: Earn.	82.75	*103.39
Paid	7.00	7.00
Com.: Earned	3.61	†7.00
Paid	2.00	...

* Earnings per share on the 2nd preferred stock are calculated after deduction of dividends for a full year on the shares of 6 per cent 1st preferred stock outstanding as at Aug. 31, 1929.
† Earnings per share on the common stock are calculated after deduction of a full year's dividend on the 1st preferred and the actual dividend paid on the 2nd preferred during 1929.

Marekt Record—

	1930 H	1930 L	1929 H	1929 L
Common	33	18	59	30
Preferred	92	75	102½	94

P. Lyall Construction

Progress is being made in the liquidation of P. Lyall & Sons Construction Co. though completion is likely to be protracted owing to the nature of some of the contracts under way.

Capitalization—	Authorized	Outstanding
Common (No par value.)	100,000 shs.	73,172 shs.
Preferred (Par $100.)	$1,500,000	4,084 shs.

Starr Mfg. Co.

An old-established Maritime firm, Starr Manufacturing Co., has achieved an international reputation for the manufacture of ice skates, and has diversified its production to include bolts, nuts, rivets, railway spikes, axes, hinges and other metal products such as iron fences and fire escapes. The company also assembles bicycles and children's vehicles and is a jobber of bar iron which is used to a large extent in the manufacture of its own products.

Capitalization—	Authorized	Outstanding
Common n.p.v.	6,500 shs.	6,470 shs.

Funded Debt—
1st mortgage 6% bonds, due 1948, outstanding, $300,000.
General mortgage 6½% bonds, due 1943, outstanding $125,000.

Dividend Record—
None paid.

Officers and Directors—
Officers — Lieut.-Col. R. B. Simmonds, pres.; Thomas Notting, K.C., vice-pres.; W. L. Davies, gen. mgr. and sec.; J. K. Urquhart, supt.
Directors—Lieut.-Col. R. B. Simmonds, Thomas Notting, K.C., J. G. Farquhar, Charles J. Burchell, K.C., H. Goudge, A. F. Mackintosh, all of Dartmouth, N.S., and H. R. Bain, Toronto.

CANADIAN VICKERS

Constructive Reorganization Undertaken Improves Outlook

Several important changes in the position of Canadian Vickers, Ltd., took place during the past twelve months. In the first instance, earnings of the company during the fiscal year ended February 28, 1929, were not sufficient to warrant the continuance of dividends on the preferred stock. Accordingly the management decided to discontinue payments.

Since that time interests back of the company have undertaken a thorough reorganization, with a view to improving the fiscal status of the company and also placing manufacturing operations on a more profitable basis. Results have been encouraging, and while bond interest, preferred dividends, and sinking fund requirements have been earned, this does not warrant the assumption that payments will be resumed on the preferred stock now or in the near future.

It can be said, however, that the financial and operating position of the company has undergone improvement, and provided that business is maintained as well as in the last six months, the company should be able to present a fairly satisfactory financial statement for the year ending this month.

Officers and Directors—
Officers—James Playfair, pres.; Frank M. Ross, vice-pres.; D. B. Carswell, gen. mgr.; J. W. Savidant, compt. and treas.; F. G. Wilson, sec.
Directors—James Playfair, Midland, Ont.; D. B. Carswell, Victor M. Drury, John C. Newman, Frank M. Ross, J. McL. Stephen, Noah A. Timmins, F. G. Wilson, Montreal, P.Q.; George R. Cottrelle, T. A. Russell, Toronto, Ont.; James A. Richardson, Winnipeg, Man.

Times All Interest Earned:		
After depreciation	0.78	1.59
Earnings Per Share & Div. Record:		
Preferred: Earned	...	$7.37
Paid	$5.25	7.00
Common: Earned	...	0.12
None paid.		

†After deducting full year's preferred dividends.

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Com.	10	2½	45	9	49⅛	25
Pref.	65	20	93⅝	70	96½	90

HAYES WHEELS

Passed Dividends to Conserve Cash Until Motor Industry Revives

Operations of Hayes Wheels & Forgings for 1930 have reflected, and will continue to reflect in 1931 to a yet undetermined degree, the drop in total volume of motor car production in Canada.

As the company is engaged in the manufacture of wood and metal disc automobile wheels, hubs, rims, front and rear axle assemblies, motors and the general line of automobile forgings, it reflects directly general conditions in the general automotive industry. It is true that the company manufactures carriage and waggon wheels, poles, shafts, buggy and automobile top bows and miscellaneous bent goods and that it controls the Canadian General Rubber Co. of Galt, which manufactures all types of small rubber goods at Dresden, Ont., where Hayes also manufactures buggy shafts, wheels and so on through its subsidiary O. and W. McVean, but the automobile industry is its chief outlet.

Officers and Directors—
Officers—Hon. J. D. Chaplin, pres.; C. G. McGhie, vice-pres.; Wm. Kistler, gen. mgr.; A. D. Chaplin, treas.; W. R. Peck, sec.
Directors—Hon. J. D. Chaplin, C. C. McGhie, F. N. Hara, E. H. Wright, St. Catharines, Ont.; Wm. Kistler, W. A. Wecker, A. D. Chaplin, H. W. Taylor, Chatham, Ont.; Oscar Henne, Gananoque, Ont.; D. J. McLean, Lindsay, Ont.; J. H. Ratcliffe, Toronto.

Times Interest Earned:			
After deprec.	9.18	9.73	5.90
Earnings Per Share and Dividend Record:			
Preferred:			
Earned	$43.17	$41.66	$29.90
Paid	7.00	7.00	7.00
Common:			
Earned	3.09	4.33	3.07
Paid	2.00	..	..

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Common	31	6	65	28	49½	21
Preferred	95	80	105	100	102	93

FROST STEEL

Frost Steel & Wire Co., which manufactures in its Hamilton plant wire and iron fencing and specialized metal products including playground equipment, maintained operations in the year ending October 31, 1930, at not very far below the level obtained in the previous year. After payment of dividends on 1st preference and Class A preference shares, the common stock earned $2,36 a share compared with $2.86 in the preceding year. In recent years the company's record of advancing earnings and profits has been good.

Earn. per Share and Div. Record:

		*
First preference:		
Earned	$19.04	$19.72
Paid	7.00	3.50
Pref. class "A":		
Earned†	†21.50	†25.02
Earned‡	7.36	7.86
Paid	7.00	3.50
Common:		
Earned‡	2.36	2.86
None paid.		

*Earnings for 1929 are based on the net profit, $193,960, on the basis of the present capitalization. Earnings on the class "A" preference and common stocks being after deduction of a full year's dividends on the first preference and class "A" preference stock respectively.
†Before making provision for participating provisions attached to class "A" preference and common shares.
‡After making provisions for participating provisions.

Market Record—

	1930 High	1930 Low	1929 High	1929 Low
Common	15⅝	7	15	14
Preferred	98	93¼	98	93

CANADIAN BRONZE

Company's Operations Closely Allied With Railway Activities

Activities of Canadian Bronze Co. are closely allied with traffic conditions on Canadian railroads. The company has comprehensive contracts with the Canadian Pacific, the Canadian National Railways and other roads for the supply of bronze bearings, bushings and castings for rolling stock.

Despite the depression in railroad traffic, Canadian Bronze earned its dividend requirements in the first eight months of 1930, though earnings for the full year will not equal those of 1929. It is also reported that about $100,000 of preferred stock has been redeemed.

Officers and Directors—
Officers—P. R. Diamond, chm. of board; W. L. Bayer, pres. and man. dir.; R. J. King, treas.; W. S. Caie, sec.; W. C. Paquette, asst. sec.
Directors—P. R. Diamond, Sir Charles B. Gordon, G.B.E., Sir Herbert S. Holt, Ross H. McMaster, Richard O. Johnson, Ernest R. Decary, William L. Bayer, H. Carson Flood, Montreal, P.Q.; Albert E. Dyment, Toronto, Ont.

ONT. STEEL PROD.

Earnings Fluctuate With Prosperity in Automobile Industry

Ontario Steel Products, with plants at Gananoque, Oshawa and Chatham, Ont., manufactures automobile springs, axles and other auto parts, and shovels and other hand tools.

Due, doubtless, to conditions in the automobile industry, the company reported earnings of only 7 cents per common share for the year ended June 30, 1930, contrasted with dividends paid of $1.60. So far in the current year, it is possible that there has been little improvement, although in the last few weeks the seasonal activity in automobile manufacturing may have helped. It remains to be seen however, whether or not the automobile industry will maintain a fair rate of production in the next several months.

Officers and Directors—
Officers—W. W. Jones, pres.; W. T. Sampson, vice-pres. and gen. mgr.; G. G. Hood, sec.; G. F. Petch, treas.
Directors—W. W. Jones, J. T. Richardson, Toronto; W. T. Sampson, Dr. C. H. Bird, D. Ford Jones, Gananoque,; Kenneth Molson, Frank P. Jones, H. M. Jaquays, Dr. N. C. Jones.

Times Bond Interest Earned:			
After deprec.	3.94	7.33	5.55
Earn. per Share and Div. Record—			
Pref.: Earned	$8.04	$29.46	$21.33
Paid	7.00	7.00	7.00
Common: Earned	†0.07	†1.57	.70
Paid	1.60	1.60	‡

‡Two quarterly payments of $1 were made and a bonus of $1 on old stock and two quarterly payments of 37½c. on new no par value stock.
†Earnings based on 51,588 common shares.

Ten Year Earnings—

Year	Earnings	Dividends	Surplus
1921	$223,446	$112,500	$564,087
1922	141,084	90,000	413,101
1923	189,888	52,500	442,022
1924	179,838	90,000	415,516
1925	219,956	82,500	448,008
1926	227,619	82,500	470,653
1927	224,144	82,500	491,143
1928	201,092	103,922	464,063
1929	237,980	108,901	464,206
1930	169,182	107,762	384,320

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Com.	22	18	32	24½	40	30
Pref.	105	105	108	105	120	118½

ENGLISH ELECTRIC

Large Electrical Company is Reported as Having Good Current Business

English Electric Co. of Canada, which manufactures motors, generators, transformers, traction material, electric locomotives and generating equipment for mines, power plants and pulp and paper mills, is believed to have had sufficient earnings in 1930 to protect its dividend of $3 a share annually on the no par Class "A" stock with a substantial surplus. Opinion on the street is that contracts on hand and prospects for 1931 warrant the expectation that the dividend will be earned and paid through 1931 as well.

Earn. per Share and Div. Record:

Pref.: Earn.	...	...	$8.93
Paid	...	...	4.00
Com.: Earned	...	...	0.62
None paid.			
Class 'A': Earn.*	$7.52	$5.08	...
Earned†	4.00	4.00	...
Paid	3.00	1.50	...
Class 'B': Earned*	4.52	§2.08	...
Earned†	3.52	§1.08	...
None paid.			

** Before participation feature.
† Represents total amount which might be distributed from earnings under participation feature.
§ After full year's dividend on class 'A.'

Market Record—

	1930 H	1930 L	1929 H	1929 L
Class "A"	43	30	46	25
Class "B"	28	15	33	23

CONDUITS

Conduits Co., which has become of investment interest to the public through the issue of preferred stock in 1927, earned its dividend in the year ended September 30, 1930, with a comfortable margin. J. Herbert Hall, president, states that the net profits were only slightly less than those of the previous year and current assets unimpaired.

Officers and Directors—
Officers—J. Herbert Hall, pres.; H. D. Hall, treas.; G. M. Jarvis, sec.
Directors—J. H. Hall, H. D. Hall, G. M. Jarvis, Toronto; S. B. Condit, M. L. Condit, Boston.

Earn. and Payments per Share†:

Pref: Earned	$119.30	$44.22
Piad	7.00	7.00
Common† Earned	2.68	1.42
Paid	1.25	nil

†Based on shares outstanding at end of each fiscal year, as shown below.

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Com.	18	13	24	13½	*28½	13
Pref.	107	104	105½	101½	102	101

*New stock.

NATIONAL BRICK

General decline in construction has found some reflection in operations of National Brick Co. of Laprairie during the fiscal year, which ends February 28, 1931. Sales have been lower than in 1929 though indications are that business is beginning to improve.

Times Bond Interest Earned:		
Before res. for renewals	3.46	...
After res. for renewals	2.91	...
Earn. per Share and Div. Paid:		
Preferred: Earned	‡5.18	$7.78
Paid	3.00	6.00
Common: Earned	§3.51	2.98
Paid	...	...

‡On new $50 par value preferred.
§On new no par value common.

Market Record—

	1930 H	1930 L	*1929 H	*1929 L	1928 H	1928 L
Com.	10	3	15	8	9	4
Pref.	29½	12½	36	22	83	60

*New stock.

GEN. STEEL WARES

Outlook Improved as Result of Recent Tariff Revisions

General Steel Wares Ltd., ranks as the leading Canadian manufacturer of sheet metal products, enamelware, stoves, iceboxes, refrigerators, a full range of hotel equipment supplies, soda fountain equipment, and similar products.

Earnings for last year were less, due, it is reported, to inventory losses. Preferred dividends have been declared, though not earned in recent months.

Officers and Directors—
Officers—J. C. Newman, pres.; F. S. Corrigan, vice-pres. and gen. mgr.; W. S. Gibson, vice-pres. in charge of sales; D. W. Dickson, sec.; J. M. Campbell, treas.; W. F. Holding, Jr., compt.
Directors—J. C. Newman, Senator Donat Raymond, F. M. Ross, Montreal; F. S. Corrigan, W. S. Gibson, H. H. Horsfall, W. S. Hodgens, Toronto; A. J. Clark, Winnipeg.

Earn. per Share and Div. Record:

Preferred: Earned	$7.45	$12.35
Paid	7.00	7.00
Common and management:		
Earned	.10	1.20
Paid	....	....

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Com.	21¼	7	42	18	37	25

GYPSUM, LIME

Company Builds Strong Organization Looking to Future

Decline in construction throughout Canada during 1930 has affected profits of Gypsum, Lime & Alabastine, Canada. This found reflection in disbursements on the common stock when in December, 1930, dividends were paid at the rate of 80 cents a share annually, instead of the former rate of $1.50 a share which was inaugurated in October, 1929.

There is a fairly active market for the common and the outlook over a period of years can be considered satisfactory.

Dividend Record—
Common—80 cents per annum payable Jan. 2 and Apr., July and Oct. 1. First payment at this rate made Jan. 2, 1931. The previous rate was $1.50 per annum.

Officers and Directors—
Officers—R. E. Haire, pres. and man.-dir.; O. R. Whitby, vice-pres.; S. H. J. Reid, sec.-treas.
Directors—R. E. Haire, O. R. Whitby, J. R. Inksater, H. J. Haire, Paris, Ont.; J. E. McConnell, London, Ont.; A. F. Culver, W. C. Pitfield, Montreal; Wm. Armstrong, Winnipeg; G. H. Kranenberg, R. S. McCurdy, Grand Rapids, Mich.; Hon. Henry Cockshutt, Brantford, Ont.; N. L. Nathanson, Toronto.

Market Record—

	1930 H	1930 L	*1929 H	*1929 L	1928 H	1928 L
Common	26	10	32¾	20	77	51

*After split.

FOUNDATION CO.

Contracts on Hand Warrant Satisfactory Report

Foundation Co. of Canada has contracts on hand which are sufficient to warrant a satisfactory report for the fiscal year ending April 30, 1931.

Originally controlled by the Foundation Co. of New York, Drury & Co. of Montreal purchased the controlling interest in Foundation of Canada in February, 1929, and offered their purchase to the public. Shortly afterwards a capital reorganization was undertaken whereby all first and second preferred and common shares were exchanged for a new no par stock of which there are presently 84,600 shares issued.

Dividend Record—
Common—Present rate $1 per share per annum payable quarterly, Feb., May, Aug. and Nov. 15. Initial quarterly dividend of 25 cents paid August 15, 1929 and regularly since.

Officers and Directors—
Officers—R. E. Chadwick, pres. and gen mgr.; V. M. Drury, vice-pres.; F. G. Rutley, vice-pres.; C. E. Grearson, sec.-treas.; H. C. Link, asst. sec.-treas.
Directors—R. E. Chadwick, V. M. Drury, A. J. Brown, K.C., E. R. Decary, N.P., W. F. Angus, Frank M. Ross, F. G. Rutley, N. A. Timmins, Montreal; Hon. F. H. Phippen, K.C., C. B. McNaught, Montreal; John W. Doty, New York.

Earn. per Share and Div. Record:

First preferred: Earned	.....	$55.34
Paid	.....	7.00
Second preferred: Earned	.....	68.77
Paid	.....	*8.75
Common (old): Earned	.....	12.50
Paid	.....	.....
Common (new): Earned	$2.86	2.36
Paid	1.00	.....

*For fifteen months.

Market Record—

	1930 H	1930 L	1929 H	1929 L
Common	16½	8	25	15

BRAND.-HENDERSON

Brandram-Henderson, Ltd., is one of the largest paint manufacturers in Canada. Plants are located in Montreal, Halifax and Toronto. Through a subsidiary, Alberta Linseed Oil Co., Brandram-Henderson operates a linseed oil plant at Medicine Hat, and through another subsidiary, the Pacific White Lead Co., controls a plant at Vancouver, manufacturing white lead.

Officers and Directors—
Officers—George Henderson, pres. and gen. mgr.; D. G. Currie, sec. and treas.
Directors—George Henderson, Montreal; I. C. Stewart, Hector McInnes, K.C., Peter R. Jack, H. B. Stairs, K.C., Hon. W. A. Black, M.P., G. MacGregor Mitchell, Halifax, N.S.; Victor M. Drury, G. H. Montgomery, K.C., Montreal; Col. Thomas Cantley, M.P., New Glasgow, N.S.; H. H. Champ, Hamilton, Ont.

Times Bond Int.			
Earned	3.84	3.34	2.87
Earn. Per Share & Div. Record:			
Pref.: Earned	$26.40	$24.79	18.54%
Paid	7.00	7.00	7.00
Com.: Earned	8.22	7.54	4.88
Paid	*.50	...	Nil

*Paid Feb. 1, 1930.

CLARK, HOWE, WATERS

Clarke, Howe, Waters & Knight Bros. Ltd., does a coast to coast business in hardwoods, Canadian and imported, and specializes in the manufacture of interior trim and in the requirements of automobile, implement and furniture manufacturers. While the latter types of business were dull in 1930, the company did a good business in interior trim and supplied such buildings as the new head offices of the Canadian Bank of Commerce, Canada Permanent Mortgage Corp., Canada Life, Huron & Erie Mortgage Corp. and the new extension of the Royal York Hotel.

***Earn. per Share and Div. Record:**

Preferred:	
Earned	$19.95
Paid	7.00
Common:	
Earned	2.30
None paid.	

*Based on the number of preferred and common shares outstanding as at Dec. 31, 1929. As the company had not completed its financing at this date, a true statement of earnings per share cannot be calculated.

Carriage Factories

Carriage Factories, Ltd. (and reduced) has been in process of liquidation for a number of years. The company dates back to 1909 as a consolidation of a number of carriage builders. So far, the preferred stock, originally number 1,020,680, has been reduced by 15 per cent. The only liabilities of consequence are to shareholders.

Further disbursements depend mostly on the advantageous disposal of the factory at Orillia, Ont.

Officers and Directors—
Officers—J. B. Tudhope, pres.; H. Munro, vice-pres.; W. O. Tudhope, sec.-treas.
Directors—J. B. Tudhope, W. H. Tudhope, Orillia; Hugh Munro, Alexandria; W. J. Sheppard, Waubaushene, Ont.; E. A. Brice, J. R. Ryan, Montreal, Que.

CAN. WIRE & CABLE

Hydro-Electric Expansion Adds Encouragement to Outlook

Canada Wire & Cable Co., manufactures all types of copper wire and cables, from the finest of enamel wire to the heaviest underground and aerial cables. The company also makes steel wire rope and cables. The company owns or controls two modern wire plants at Leaside and Hamilton and also has access to the research and investigating laboratories and the patents, leases and rights of the General Cable Corp., New York.

Though earnings for 1930 have not yet been published, it is understood that operations have been conducted on a satisfactory basis. The only income account published since the company's formation showed encouraging earnings for the eleven months ended December 31, 1929.

Directors—H. Horsfall, T. A Gass, Alfred Bicknell, J. Y. Murdoch, K.C., W. H. Marsh, Toronto; F. A. Magee, Hamilton; P. A. Thomson, J. S. Aird, N. A. Timmins, Montreal; W. Robbins, H. T. Dyett, D. R. G. Palmer, New York.

Earn. per Share and Div. Record:

Preferred: Earned	$29.52
Paid	§4.06¼
Class "A": Earned†	15.35
Paid	§2.50
Class "B": Earned‡	5.67
None paid.	

††Eleven months' report for parent company; 12 months for subsidiary company.
*After provision for depreciation of fixed assets and securities and after operating expenses.
†After deduction of full year's preferred dividends at the rate of 6½ per cent.
‡After deduction of full year's preferred dividends at 6½ per cent and Class "A" at the rate of $4 per annum.
§Being initial payment covering 1⅓ months, and two quarterly payments.

Market Record—

	1930 High	1930 Low	1929 High	1929 Low
Class "A"	82	65	95	70¼
Class "B"	41	24	47	24½

MACKINNON STEEL

MacKinnon Steel Corp. has made progress since it was formed in 1928 to take over the business of the MacKinnon Steel Co. Improvements to plant have been made and capacity for production has been substantially increased.

Earn. per Share and Div. Record:

Preferred: Earned	$13.14	$10.30
Paid	7.00	5.25
Common: Earned	2.71	2.53
None paid.		

Market Record—

	1930 H	1930 L	1929 H	1929 L
Common	40	40	48¼	36½
Preferred	96¼	88¼	101	97

Pedlar People

Investment interest in Pedlar People of Oshawa is confined to 8 per cent bonds which are due serially. The company is believed to have grown materially, although it does not publish a balance sheet, so that the equity behind the bonds probably is growing rapidly.

WATERLOO MFG.

Opens Up Interesting Prospect in 1931 With Sunshine Combine

Waterloo Manufacturing Co. established in 1931 a new milestone in its operating history by opening in the first week of the year a new $250,000 plant in Waterloo, Ontario, (owned by the Sunshine-Waterloo Co., in which it has a 50 per cent interest), to manufacture Sunshine combine harvesters for sale in Canada. The other 50 per cent interest in Sunshine-Waterloo Co. is held by the H. V. McKay Co. of Australia which has had a very successful experience with these machines in Australia.

The company's future prospects are lined up to a considerable extent with the prospects for the new plant from which they expect great things.

Officers and Directors—
Officers—C. W. Snider, pres.; A. T. Thom, vice-pres. and man. dir.; A. M. Snider, sec.
Directors—C. W. Snider, W. W. Snider, and A. T. Thom, Waterloo; James Playfair, Midland; H. A. Greene, J. R. Lamb, E. G. McMillan, Toronto.

Earn. per Share and Div. Record:§

Class "A": Earned*	$1.25	$4.60
Earned†	1.00	3.15
Paid	1.00	0.50
Class "B": Earned‡	0.74	3.15
Paid	0.50	...

§Based on the number of shares outstanding at end of fiscal year as shown below.
*Before taking participation provisions into consideration.
†Maximum distribution under participation provisions.
‡Maximum distribution under participation provisions, after providing $1.00 per share on Class "A" shares as shown below, namely, $81,840 in 1929 and $60,000 in 1928.

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Class 'A'	16½	6	39	14	28	16

CAN. MACHINERY

Operations of Canada Machinery Corp., in common with conditions throughout the industry, have suffered during the past year with no definite prospect of improvemet during 1931. Unaided by change in tariff and directly affected by decrease in industrial production and lower volume of purchases by the railways, the earnings statement for 1930 will not compare favorably with that of the previous year. It is understood that orders on hand are considerably under the volume of a year ago.

Officers and Directors—
Officers—T. H. Watson, pres.; G. D. Forbes, vice-pres.; J. G. Gibson, sec.-treas.
Directors—T. H. Watson, R. O. McCulloch, Galt; G. D. Forbes, Hespeler; C. H. Easson, Toronto; G. R. Gray, Sault Ste. Marie, Ont.

Times Interest Earned	4.57	5.08
Earn. per Share and Div. Record:		
Preferred:		
Earned	10.72	12.27
Paid	...	...
Common:		
Earned	2.34	3.31
Paid	...	...

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Com.	6	6	9	9	11	11
Pref.	30	30	34	34	..	..

EASY WASHING

Easy Washing Machine Co., which manufactures washing machines in Toronto, is controlled by a Toronto syndicate and affiliated through directorate only with the Syracuse Washing Machine Corp. of Syracuse.

Earn. per Share and Div. Record:

Preferred: Earned	$7.40	$31.46
Paid	7.00	§
Common: Earned	0.41	*1.67
Paid	1.50	1.75

*After deduction of full year's preferred dividends.
§Preferred dividends at the rate of 7 per cent per annum were paid from date of issuance, definite dates of issuance, however, being unavailable. Approximately half the issue was sold in March, the balance about September, 1928. All privately held.

DUFFERIN PAVING

Has Had Good 1930 Experience in General Contracting Business

Dufferin Paving & Crushed Stone's annual report for 1930 will probably show the company to have had a comparatively good experience. It carries on a general contracting business specializing in paving and road construction work, building excavation work, construction of water mains and sewers and the production and sale of crushed stone.

Earn. per Share and Div. Record:

1st Preferred:	
Earned	$20.66
Paid	5.33
2nd Preferred:	
Earned*	20.24
Paid	5.00
Common:	
Earned†	2.07
Paid	Nil

* After allowing for full year's dividends on 1st preference.
† After allowing for full year's dividends on both classes of preference.

Market Record—

	1930 H	1930 L	1929 H	1929 L
Common	25	8	34	15
Preferred	99	70	112	88

J. S. MITCHELL

Further Preferred Stock Redeemed Last Year

J. S. Mitchell & Co. made headway in 1930 despite general business conditions. While it is not expected that earnings will equal those of 1929 the annual report is expected to show $120,000 of preferred stock redeemed during the year together with redemption of $10,000 in the amount of the company's mortgage outstanding.

Earn. per Share and Div. Record:

Preferred: Earned	$29.53	$26.84
Paid	7.00	7.00
Common: Earned†	4.96	5.81
None paid.		

†After allowing for preferred sinking fund requirements, viz., 10% of earnings available for distribution to the common shareholders, which must be applied before any dividends are paid on the common.

Market Record—

	1930 H	1930 L	1929 H	1929 L	1928 H	1928 L
Com.	41	40	73	35	72	38
Pref.	104	104	107	104	110½	99¼

ANGLIN-NORCROSS

Anglin-Norcross Ltd., is experiencing a satisfactory year of operations, and it is likely that profits for the fiscal year ended February, 1931, will compare favorably with those of the previous period.

Dividend Record—
Preferred—7 per cent per annum, payable semi-annually, Apr. and Oct. 1.
Common—An initial dividend of $1 was paid Sept. 16, 1929, and $1 paid Mar. 15, 1930.

Officers and Directors—
J. P. Anglin, pres. H. J. Gross, vice-pres. and treas.; C. D. Harrington, vice-pres. and mgr.; G. A. Lowles, sec.; L. L. Evans, pur. agent; W. S. Leslie, A. O. Dawson, A. H. Vipond, Westmount; G. W. Birks, Montreal.

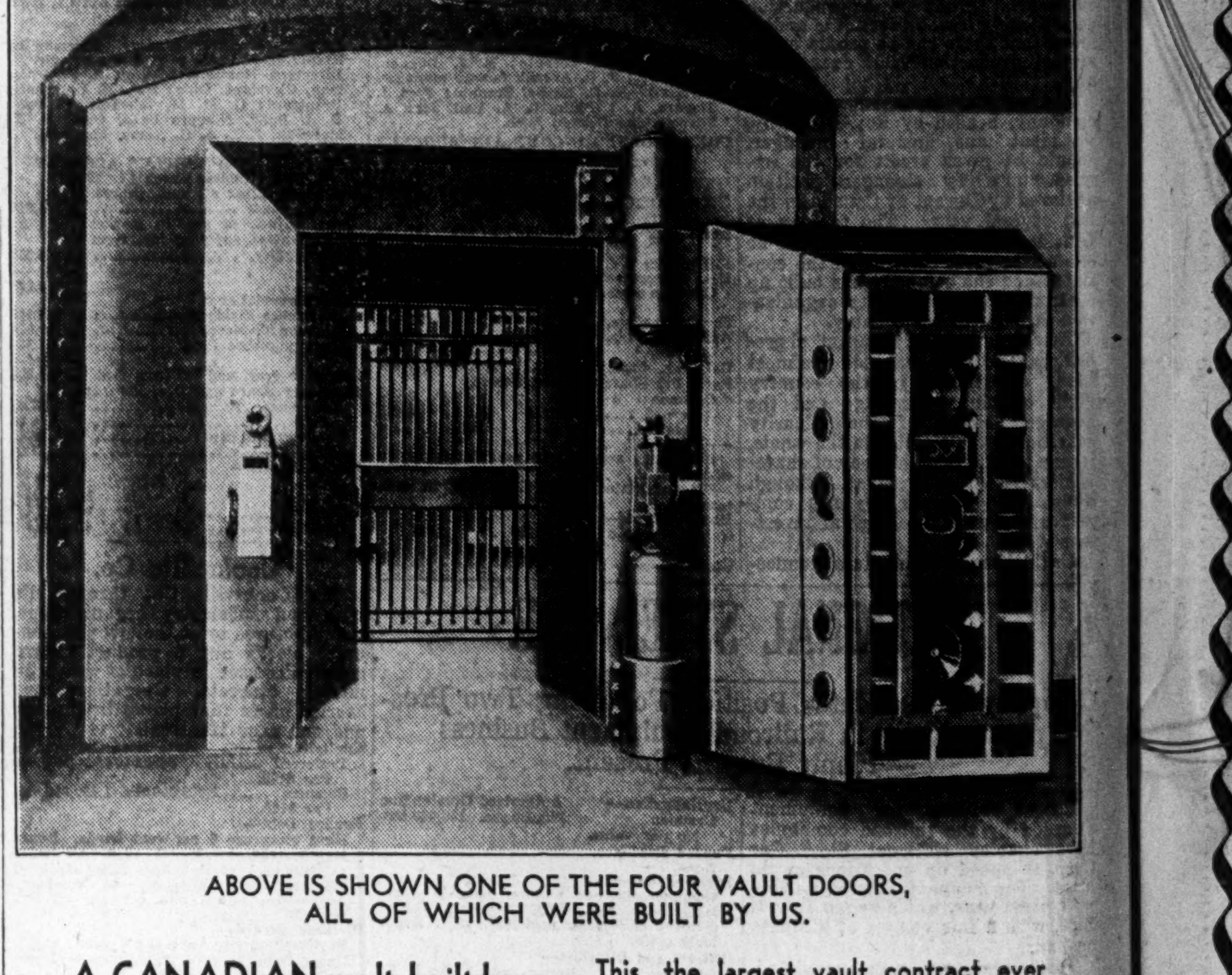
PT. HOPE SANITARY

Port Hope Sanitary Manufacturing Co., which is engaged in the manufacture of enamel ware, bathroom fixtures, porcelain products and associated lines, will probably show reduced profit for the year ending January 31, 1931, in view of the fact that during the year the company reduced the quarterly dividend from 62½ cents to 50 cents a share.

Earn. per Share and Div. Record:

Common (new):		
Earned	$4.62	$5.30
Paid	$2.37½+$1†	1.00

†Bonus.



ABOVE IS SHOWN ONE OF THE FOUR VAULT DOORS, ALL OF WHICH WERE BUILT BY US.

A CANADIAN vault, built by A CANADIAN factory, for THE CANADIAN BANK OF COMMERCE NEW HEAD OFFICE — TORONTO

SAFE DEPOSIT VAULT—TRUNK AND STORAGE VAULT — TREASURY VAULT — SECURITY VAULT AND THEIR UNUSUAL ENTRANCE DOORS ALL WERE BUILT IN OUR TORONTO PLANT.

This, the largest vault contract ever awarded in Canada, includes the complete Steel Lining, three doors weighing with their frames 42 tons each, and the massive Safety Deposit Vault Door and frame weighing 51 tons. In addition there are interior Security Closets, polished Monel Panelling, etc. Total weight of metal, 451 tons, using approximately 96 per cent CANADIAN MATERIAL.

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TORONTO SAFE WORKS
TORONTO MONTREAL WINNIPEG VANCOUVER

ROYAL BANK OF SCOTLAND

(Incorporated by Royal Charter, 1727)
Capital (fully paid) $ 16,812,210
Reserve Fund ..... $ 17,904,630
Deposits $251,935,450
($5 to £1)

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Mortgage Corporation
COR. BAY & ADELAIDE STS. TORONTO
Assets exceed $66,500,000

Homeward bound

In that hour when the day's work is done and the dinner not yet begun, stop on your way home for a glass of the Champagne of Ginger Ales.

After the hurry and bustle of the office, it refreshes you and picks you up. As a delightful prelude to dinner, it stimulates your appetite and heightens your enjoyment of the meal.

For there is more than a wonderful flavour to this Champagne of Ginger Ales. There is in it, a purity and balance so zestful and so healthful that hospitals serve it to their patients.

In many ways, Canada Dry can help you to get more enjoyment in life. At almost any moment, it makes a charming companion.

Another delicious beverage made under the Canada Dry seal is Canada Dry's Sparkling Soda. This delightful new table water is pure, crisp and always delicious.

CANADA DRY

The Champagne of Ginger Ales

Canada Dry Ginger Ale, Limited, Toronto, Edmonton and Montreal

Current Events in the Banking World

BANK FAILURES SHOW CANADA FAR AHEAD U.S.

Record of Bank Failures in Past 37 Years, Startling

U. S. TOTAL IS HUGE

Addition of $908,000,000 of Liabilities in 1930 Brings Total to Over Three Billion

In the last thirty-seven years Canada has had 12 chartered bank failures whose total liabilities amounted to $72,785,000. In the same period 8,476 United States banks have failed with liabilities of no less than $3,754,370,000. On a strictly comparable basis, and after adjustment for the difference in population. This means that liabilities of U. S. banks which have failed have been exactly four times those of Canadian banks.

The 1930 record for United States bank failures has just been compiled by R. G. Dun & Co., and shows the largest mortality in the history of American banking — 934 failures with liabilities amounting to $908,157,788. This staggering total exceeds by $700,000,000 the liabilities incurred in any year since 1893 and is also an increase of more than 300 in number for any year since that date.

The following table shows the record of Canadian and United States bank failures during the past 37 years, the United States figures having been compiled by R. G. Dun & Co., and the Canadian figures having been taken from the Canada Year Book:

THIRTY-FIVE YEARS OF BANK FAILURES

	United States No.	United States Liabilities	Canada No.	Canada Liabilities
1930	934	$908,157,788	..	......
1929	437	218,796,582	..	......
1928	372	129,649,605	..	......
1927	394	143,449,246	..	......
1926	608	212,074,999	..	......
1925	464	164,698,516	..	......
1924	613	202,926,206	..	......
1923	578	203,739,188	1	24,889,049
1922	277	77,735,551	..	......
1921	404	178,027,776	..	......
1920	119	50,708,300	..	......
1919	50	16,520,862	..	......
1918	20	5,131,887	..	......
1917	42	18,451,964	..	......
1916	50	10,396,779	..	......
1915	133	37,223,234	..	......
1914	212	56,005,107	1	912,137
1913	120	31,546,314	..	......
1912	79	24,219,522	..	......
1911	107	25,511,606	..	......
1910	119	41,097,255	2	2,546,800
1909	80	24,677,128	..	......
1908	180	123,126,956	3	17,907,000
1907	132	283,325,972	..	......
1906	58	18,805,380	1	15,277,000
1905	78	20,227,155	1	388,000
1904	99	28,158,811	..	......
1903	121	29,685,766	..	......
1902	63	10,969,072	..	......
1901	74	18,018,774	..	......
1900	58	14,456,563	..	......
1899	55	27,116,790	1	1,766,841
1898	80	18,395,094	..	......
1897	171	28,249,700	..	......
1896	198	50,718,915	..	......
1895	132	20,710,210	1	7,761,209
1894	125	125,666,035	..	......
1893	642	210,998,808	1	1,341,251
Total	$8,476	3,754,370,000	12	$72,784,287

Even on the surface the moral is an obvious one as far as the Canadian banking system is concerned and dozens of editorials are already appearing in Canadian papers to this end. However, an analysis of these figures which will place them on a comparative basis uncovers much startling information.

It is found for instance that the size of the average bank failure in the United States as measured by liabilities is $443,000, whereas the average failure in Canada over the same 37 years showed liabilities of just over $6,000,000. The size of the failures in both countries is, of course, increasing the size of the average failure in the United States last year, reaching almost $1,000,000 as against much less than half that sum in preceding years. Canada has only had one failure since 1914—the Home Bank failure—which is recorded as having liabilities of almost $25,000,000. Previous to that the size of the average Canadian failure was approximately $4,300,000.

Perhaps the most interesting comparison is on the basis of population. According to official decennial census figures over the past forty years, average population of the United States during this period has been approximately 12½ times greater than that of Canada. Thus a simple multiplication of the liabilities of Canadian banks which failed in the 37 year period, by 12½, indicates that if Canada had had the same population as the United States during this period the liabilities of failed banks would be approximately $900,000,000, or less than one-quarter of the liabilities which have been rolled up under the United States banking system since 1893.

What Editors Say of Banks

Sault Ste. Marie Star

There are now ten banks in Canada against thousands in the United States, but if the American rate of bank failures in 1930 persists for a few years there may be fewer banks in the United States than in this country.

St. Catharines Standard

A contrast is frequently drawn between the American and Canadian banking systems, the claim being made that the American banks, usually local in organization and in shareholders, may be depended on to give fair consideration to local banking requirements. For the Canadian system it is claimed, on the other hand, that there is greater stability and more security both for depositors and shareholders. In practical operation the American system does provide for local needs very well when conditions are favorable, and those who have had experience with banks in Canada know that when conditions are good in this country, the banks can be depended on to extend credit more freely. In support of these contentions it is only necessary to look back over the past five years in banking experience in the two countries. It is highly important to have a bank which will be able to extend credit in time of stress.

The year 1930 was a very trying one for bankers as well as for business men generally. Recently there has come from representative American papers expressions of appreciation of the stability of the Canadian banks and their record for the past year. The commendation is merited, for on the whole the banks have kept the situation in hand, extending only such credit as was proven to be warranted. All the while there was ample security for depositors and bank paper in circulation.

A contrary experience has been registered in the United States, particularly in the South and West, where the slump in prices of farm products struck its hardest blows. According to the National City Bank bulletin for December, the number of bank failures in the neighboring country in the first ten months of 1930 numbered 740, of which 110 were members of the Federal Reserve System, the remainder, 640, over 80 per cent, were non-members. The total deposits of the suspended banks were given at $2,034,000,000, of which total $566,000,000 were credited to the member banks and $1,468,000,000 to non-members, being in about the same proportion. For the ten years ending with 1930, bank failures in the United States numbered 6,382, plus added failures for November-December, 1930. That is a very serious situation. There are banking institutions in New York like the Chase National and National City which number among the world's largest dozen banks in resources and paid-up capital. But it would seem that notwithstanding the greatly added power of co-ordination provided by the Federal Reserve system, there is urgent need for yet more co-ordination in order to provide both stability and security to local banks all over the country.

Preliminary Figures Show World Savings Up 7 P.C.

Savings deposits in 22 countries of the world show an increase of 8.2 per cent when figures as at the end of October, 1930 are compared with figures for December, 1929, according to a preliminary survey by The Business Week of New York. Savings of Canadian banks are shown as having declined 1.1 per cent, according to this record, but the latest figures available for Canada at the time of compilation were apparently as at September 30. Since that time Canadian savings have increased by nearly $20,000,000 and as at the end of November, 1930 were actually $5,000,000 above the figure for December, 1929.

It would seem eminently fair to insert the latest Canadian figures in this tabulation because for United States a preliminary figure as at December 31, is taken, which gives that country an increase of 7.7 per cent for the period. Furthermore the figure used to represent the United States is savings deposits for New York state only, and a glance at U. S. A. statistical data indicates that if figures for all reporting federal reserve banks in the U. S. A. were taken, the comparison would not be nearly so favorable as the Canadian comparison.

Actual figures of net demand deposits for all reporting Federal Reserve member banks, show that at the end of October, 1930, there was a decline of $610,000,000 or over 4 per cent, the December, 1929, figure being $13,910,000,000 and the October, 1930, figure having dropped to $13,300,000,000. By the end of December, 1930, however, deposits had increased by over $400,000,000, but even then were considerably below the corresponding figure of a year ago. As shown above, the Canadian showing is considerably more favorable, there having been an actual increase in Canadian savings deposits as at the end of November, with a further gain anticipated by the end of December.

However, the compilation is an interesting one, the tabulation as shown by The Business Week being shown below with the exception that Canadian figures are changed to tally with returns of Canadian chartered banks, there being several discrepancies as shown in the Business Week figures. The total remains unaltered.

SAVINGS IN TWENTY-TWO COUNTRIES

Country:	Oct. 31, 1930	Dec 31, 1929	Dec. 31, 1928	Dec. 31, 1927	1930¶	1929	1928
	Dollar Value at Par of Exchange (000,000 Omitted)				Percentage Change During		
South Africa	$38.0	$32.6	$32.1	$31.1	+ 1.2	+ 1.5	+ 3.2
Germany	2,430.5	2,150.3	1,671.1	1,154.1	+13.0	+28.6	+44.7
Austria	143.3	121.2	109.4	85.1	+18.2	+10.7	+28.5
Belgium	983.2	755.1	579.6	485.3	+30.2	+30.2	+19.4
Canada	1,439*	1,434	1,520	1,475	— 1.1	— 5.8	+ 5.8
Chile	33.2	33.9	29.4	23.2	— 2.1	+15.3	+26.7
Denmark	571.6	545.9	546.9	533.0	+ 4.7	— 0.2	+ 2.6
United States[2]	4,732§	4,392	4,406	4,166	+ 7.7	— 0.4	+ 5.7
Finland	112.5	112.7	105.8	89.2	— 0.2	+ 6.5	+18.6
France	542.2†	444.2	345.4	253.6	+22.0	+28.6	+36.1
Hungary	12.4*	9.6	7.1	4.7	+29.1	+35.3	+51.0
Italy	645.1*	612.6	563.1	528.1	+ 5.3	+ 8.7	+ 6.6
Japan	1,910.7*	1,730.7	1,487.5	1,265.6	+10.4	+16.3	+17.5
Norway	475.1	509.4	630.3	649.3	— 6.8	—19.2	— 3.0
Holland[1]	145.1*	137.8	137.0	132.2	+ 5.2	+ 0.5	+ 3.6
Poland	26.0	19.4	13.7	7.5	+34.0	+41.6	+82.6
United Kingdom	2,010.3	1,956.3	1,952.4	1,900.3	+ 2.7	+ 0.1	+ 2.7
Sweden	87.6	73.1	56.7	55.2	+19.8	+22.4	+ 8.1
Switzerland	372.6	350.6	328.4	312.4	+ 6.2	+ 6.7	+ 5.1
Czechoslovakia	559.8*	538.9	460.3	421.4	+ 3.8	+17	+ 9.2
Jugoslavia	3.3	1.8	.6	.4	+83.4	+200	+50
Russia[3]	358.4‡	294.6	176.8	104.0	+21.6	+66.6	+70
Total	17,632.9	16,282.7	15,188.6	13,676.7	+ 8.2	+ 7.2	+11

*Sept. 30. †July 31. ‡August 31. §Dec. 31, preliminary. ¶To date specified.
[1]Postal savings only. [2]New York State only. [3]Exchange rate purely nominal.

SOUND POSITION SEEN IN STATISTICS BY ROYAL BANK

Increase in Savings and Decrease in Loans Cause Comment

A return of Canadian habits of thrift and a strong foundation for the further development of Canadian industry and trade is seen by The Royal Bank in the upward swing of Canadian savings deposits. In its January monthly letter the bank points out that when commercial loans in Canada were at their peak, the total was approximately $3,000,000,000 in excess of savings deposits. With the decrease in loans and the increase in deposits, this position has been improved and deposits are now $255,000,000 greater than commercial loans. The bank's comment is as follows:

"In the interpretation of Canadian banking statistics, the relation of savings deposits to current loans is significant, and an upward trend in the volume of savings deposits is an essential to a satisfactory money situation. From July, 1930, to the end of November, the latest date for which information is available, the total of notice or savings deposits in Canada showed a steady increase. From a peak of $1,526,000,000 in January, 1928, there had been a decline until the total for July amounted to $1,402,000,000.

Increase Now Definite

"In August a small increase amounting to two million dollars gave a tentative indication that this decline had been checked. The figures for each subsequent month gave confirmation to this theory, and the total savings deposits in Canada at the end of November amounted to $1,439,000,000. This is particularly striking in view of the reduced returns which have been received for grain, lumber, paper and other commodities, and the reduced wage payments caused by curtailment of business.

"During the prosperous year preceding the present depression, the credit requirements of Canadian business greatly increased with the general expansion of the period. Commercial loans in Canada amounted to $1,473,000,000 in October, 1929. During the following thirteen months, these loans declined approximately $290,000,000, reflecting the general slowing down of business during 1930, as well as the attempt on the part of business men to place their affairs in a more liquid position.

Deposits Now Greater

"The ratio of commercial loans in Canada to savings deposits and the general credit position have been improved by this process. When loans were at their peak, the total was approximately $3,000,000 in excess of savings deposits. With the decrease in loans and the increase in deposits, this position has been gradually improved and such deposits are now some $255,000,000 greater than commercial loans.

"There must necessarily be a period during which savings are accumulated and the total is built up to sufficient proportions to encourage an expansion of credit and business. The upward trend shown in recent months denotes the return of habits of thrift. Should the movement be maintained, a strong foundation will be laid for the further development of Canadian industry and trade."

Bank Branches Show Net Gain Of 35 in 1930

Branches of Canadian chartered banks increased by only 35 during 1930 according to the returns for December, 1930, compiled by the Bank Directory of Canada. At the end of the past year there were 4,271 branches operated by the eleven chartered banks, of which 4089 were in Canada and the remainder were either in Newfoundland or other countries. A year ago there were 4,236 branches operated, of which 4,049 were in Canada and the remainder outside.

Analyzed by provinces, Ontario shows the greatest gain having made a net increase during the year of 27 as against an increase of 14 in Quebec. There was a decline of 14 in Saskatchewan; an increase of 9 in British Columbia; and an increase of 2 in Nova Scotia. Prince Edward Island and New Brunswick each made a net gain of one while there was no change in Manitoba, Alberta or the Yukon. One more branch was shown for Newfoundland at the end of the year while branches elsewhere, outside Canada, declined by 6.

The showing made by the different banks remains unchanged, the Royal Bank still holding first place with 941 branches of which 105 are outside Canada. The best gain during the year was made by the Bank of Nova Scotia which increased its branches by 27 during the year. The Bank of Commerce ranks second to the Royal in number of branches, although it lost 9 during the year, while the Bank of Montreal comes third with 670. The merger since these figures were compiled whereby the Imperial Bank is to acquire the Weyburn Security Bank will make no change in the standing of the banks as regards branches. The comparative figures as at December 31, 1930 and 1929, are as follows:

	1929	1930
Barclays Bank (Canada)	1	2
Can. Bank of Commerce	800	791
Dominion Bank	140	144
Banque Can. Nationale	585	593
Imperial Bank of Canada	208	209
Bank of Montreal	671	670
Bank of Nova Scotia	328	355
Banque Provinciale du Canada	334	333
Royal Bank of Canada	937	941
Bank of Toronto	198	203
Weyburn Security Bank	30	30
Totals	4,236	4,271

Westminster Paper Enters African Market

From Our Own Correspondent

MONTREAL. — Trial shipments of special paper have been forwarded by the Westminster Paper Co. to Rhodesia, South Africa, by direct steamer from Vancouver. This shipment contained wrappers for citrus fruits and totalled about 40 tons.

Regular exports are being made to New Zealand, Australia and also in smaller quantities to China. The Antipodes' orders for the season are about completed. This year business from that source kept the plant operating for 60 days. Despite the coming slack season, the plant is assured of orders to maintain reasonable operations until the end of this month.

Weekly Bank Clearings

Eastern Cities	Jan. 30, 1930	Jan. 29, 1931
Halifax	$ 2,798,772	$ 2,636,542
Sherbrooke	800,420	582,956
Quebec	5,215,983	4,266,523
Ottawa	5,889,017	4,588,438
Montreal	112,183,808	106,043,395
Kingston	654,616	507,414
Peterborough	709,077	654,658
Toronto	113,034,994	93,158,248
Hamilton	7,198,776	4,217,415
Kitchener	1,198,003	1,001,235
Brantford	937,359	838,516
London	2,345,883	2,311,507
Chatham	639,066	592,976
Windsor	3,704,194	2,726,330
Sarnia	445,527	425,527
Sudbury	1,180,922	662,783
Moncton	959,727	660,233
Western Cities	**Jan. 30, 1930**	**Jan. 29, 1931**
Fort William	$ 632,541	$ 462,972
Winnipeg	31,095,320	25,921,754
Brandon	345,705	344,294
Saskatoon	1,765,093	1,387,711
Prince Albert	341,298	263,072
Edmonton	5,371,066	6,806,052
Calgary	10,372,244	340,520
Medicine Hat	231,113	174,160
Vancouver	19,577,682	14,738,764
Victoria	2,016,963	1,112,937
Regina	3,259,159	2,853,625
New Westminster	718,159	553,892

BRUCK SILK MILLS BOOKINGS INDICATE FULL TIME WORK

Three Months Day Shift Capacity Operation Ensured

From Our Own Correspondent

MONTREAL.—Bruck Silk Mills Ltd., has sufficient business booked to ensure three months day-shift capacity operation, according to I. I. Bruck, president of the company. The throwing and weaving mills at Cowansville are working on a day and night shift schedule.

Due to the low price of real silk and the increased demand for this product, the mills are running on a 95 per cent real silk basis. Last year, demand for artificial silk predominated, but the decline in the raw silk market has reversed the situation.

Importations Cut Down

It was pointed out that importations of fabrics, such as the company manufactures, had been cut down considerably since September, 1930, making it more profitable for Canadian purchasers to obtain their needs from domestic mills. A favorable factor indicated by the president, was the almost unanimous demand for real silk, which obviated necessity of diversifying production.

In this connection, it will be remembered that sweeping changes were made in operating facilities of Bruck Silk Mills in the last fiscal year, enabling it to manufacture artificial silk as well as the real silk products.

This reorganization of production hampered operations which in the last fiscal year ended October 31, 1930, resulted in a deficit of $109,045 as compared with a surplus in the previous year of $205,000.

Bank Chat

H. W. STEPHENS has been appointed assistant manager at Santo Domingo, Dominican Republic, for the Bank of Nova Scotia.

H. H. RICHARDS, manager of the Royal Bank at Fort William, was elected president of the Canadian Flying Club Association at the annual meeting of the association held recently in Montreal.

W. R. HENDERSON, assistant manager of the Windsor, Ont., branch of the Bank of Montreal since May, 1929, has been appointed manager of the Trenton, Ont., branch. Before going to Windsor, Mr. Henderson was inspector at Calgary for two years and was connected with Saskatchewan and Alberta branches of the bank for some 19 years.

The Canadian Bank of Commerce has transferred the business of the Toronto branch from Bay and Wellington Streets, to the new head office building of the bank at 25 King St., West.

The **Bank of Montreal** announces the following staff transfers:

F. N. SMITH, manager, Verdun, to Montreal West as manager.

B. L. MESSIAS, manager, Douglas, Ont., to Wolfville, N.S., as manager.

R. C. McINTYRE, superintendent's department, Toronto, to Windsor as assistant manager.

W. T. R. HENDERSON, assistant manager, Windsor, to Trenton as manager.

G. P. WORSLEY, manager, 62 Sparks St. branch, Ottawa, to Saint John, N.B., as manager.

W. B. HARSHAW, formerly manager at Sparks & O'Connor Sts. branch, Ottawa, to 62 Sparks St. branch, Ottawa, as manager.

J. G. TERRILL, manager, Angus Shops branch, Montreal, to Masson St. and Fifth Ave. branch, Rosemount, Montreal, as manager.

H. O. CROOKSHANK, accountant, Westmount, to Angus Shops branch, Montreal, as manager.

B. C. GARDNER, manager, Saint John, N.B., to head office, Montreal, as a superintendent.

P. BOYD TYTLER, manager, Masson St. and Fifth Ave. branch, Rosemount, Montreal, has gone on leave of absence prior to retiring on a pension.

J. MACARTHUR, Superintendent's Department, Calgary, to Weyburn, as manager.

The Imperial Bank announces the following staff changes:

G. C. DUNLOP, formerly manager, Gore and Queen St. branch, Sault Ste. Marie, Ont., has been appointed manager, Noranda, P.Q.

C. A. KEHOE, formerly manager Noranda, P.Q., has been appointed manager, Kapuskasing, Ont.

J. D. PATTERSON, manager, Kapuskasing, Ont., has now been appointed manager, North Bay, Ont.

L. T. CHARLTON, formerly manager, North Bay, Ont., has been appointed manager, Queen and Carlaw St. branch, Toronto, Ont.

The Canadian Bank of Commerce announces the following staff changes:

V. CHARRON, manager at St. Anne de la Perade, Que., has been appointed manager at Rosemount, Montreal, and is succeeded at St. Anne de la Perade by H. St. ONGE, formerly accountant at Magog, Que.

L. M. PETHICK is acting manager at Royal Ave. and Sherbrooke St., Montreal.

P. R. Hamel, manager at Verdun, Que., has been appointed manager at St. Pierre et Miquelon, succeeding G. D. Dallaire who has been appointed manager at Verdun.

A. E. STRINGER, manager at Yonge and Adelaide St. branch, Toronto, has been appointed an assistant manager, and is succeeded by P. H. NOWERS, formerly third agent at New York.

H. G. BARNUM is acting manager at Bay and Wellington St. branch, Toronto, which has been opened in the premises occupied until recently by the Toronto branch.

The Ruskin, B.C. sub-agency to Mission City branch will be open for one day a week only in future. Service will be given on Wednesdays except in the weeks when the sub-agency will be open on the 8th and 23rd of each month or on the preceding Friday should either of these dates fall on Saturday or Sunday.

The branch at Goldpines, Ont., was closed on January 31.

Monthly Bank Clearings

Eastern Cities	Jan., 1930	Jan., 1931
Saint John	$ 10,101,263	$ 9,598,765
Sherbrooke	3,790,845	2,982,066
Quebec	27,492,242	23,197,113
Ottawa	30,875,093	25,493,563
Montreal	583,962,698	501,450,117
Kingston	3,394,242	3,077,904
Peterborough	3,557,956	3,473,426
Toronto	588,570,338	489,377,943
Hamilton	29,958,030	21,413,788
Kitchener	5,461,090	4,819,682
Chatham	3,181,210	3,004,696
Sudbury	4,996,365	3,130,335
London	13,919,526	13,866,105
Moncton	4,318,011	3,250,209
Brantford	5,120,152	4,530,371
Western Cities	**Jan., 1930**	**Jan., 1931**
Fort William	$ 3,444,985	$ 2,764,521
Winnipeg	195,971,411	141,546,305
Brandon	2,169,430	1,822,820
Moose Jaw	4,720,490	3,980,321
Saskatoon	9,935,924	8,436,565
Prince Albert	1,958,463	1,563,140
Edmonton	26,206,854	21,263
Medicine Hat	1,460,451	947,777
Lethbridge	2,417,609	1,652,718
Vancouver	92,394,469	70,464,363
Victoria	10,776,554	8,657,810
Regina	....	15,472,231
New Westminster	3,818,554	2,841,284

30th Annual Meeting of the Shareholders of the PROVINCIAL BANK OF CANADA

Review of Economic Conditions by the Hon. Sir Hormisdas Laporte, K.B., President

General Manager's Commentaries—Board of Commissioner Censors' Report—Election of the Directors and Board of Censors for the Savings Department

The 30th annual meeting of the shareholders of the Provincial Bank of Canada was held Wednesday, January 28th, at the Head Office of the Bank at 221 St. James Street West, Montreal.

Among those present were: Messrs. S. J. B. Rolland, Montreal; Joseph Sirois, N.P., Quebec; H. Gerin-Lajoie, C.R., Montreal; Jos. B. de Boucherville, Montreal; L. J. Codere, Sherbrooke; Chas. A. Roy, Montreal; Hon. N. Perodeau, N.P., Montreal; Hon. E. L. Patenaude, C.P., Montreal; Hon. Cyrille Delage, Quebec; J. L. Fortin, Three Rivers; Hon. Raoul Grothe, C.L., Montreal; Jos. Ratte, M.V., Quebec; J. Edouard Labelle, C.R., Montreal; F. S. MacKay, N.P., Montreal; G. O. Alfred St.-Cyr, Montreal; J. Arth. Clouthier, Ste. Rose; Victor Levesque, Montreal; Ernest Meunier, Montreal; Hector Lalonde, C.R., Montreal; Pierre Desforges, Montreal; H. Gareau, St. Faustin; L. H. Painchaud, Montreal; Victor R. Blanchard, St. Hyacinthe; Onesime Routhier, Masson; Thomas Prefontaine, Montreal; Paul Lacoste. Montreal; J. A. Lamarche, Montreal; J. L. Boulanger, Montreal; L. P. J. Roy, Montreal; J. E. St. Andre, Montreal; J. R. Choquet, Montreal; Robert Roy, Montreal; J. A. Turcot, Montreal; R. Laplante, Montreal; J. U. Boyer, Montreal, and R. Ste. Marie, Montreal.

Among those represented at the meeting were: Messrs. Louis St. Laurent, C.R., Quebec; Hon. Antonin Galipault, Quebec; M. C. H. Catelli. Montreal; M. Prosper Dubuc, Quebec; M. C. A. R. Desjardins, St. Andre de Kamouraska; Dr. Ed. Bourque, Ottawa; M. C. B. Howard, Sherbrooke; M. E. G. Labarre, Sherbrooke; M. Alfred Lambert, Montreal; M. Omer Lemieux, Hull; M. N. A. Ostiguy, Valleyfield; M. J. L. Durand, Three Rivers; Mgr. Arthur Melanson, Campbellton, N.B.; M. C. P. McIntyre. St. John, N.B.; M. Rodrigue Heroux, Three Rivers; M. R. A. Frechette. Moncton, N.B., and M. D. Dupont, St. Hyacinthe.

In the absence of the President, the chair was occupied by Mr. S. J. B. Rolland, Vice-president, who was nominated to act as chairman.

The General Manager acted as secretary of the meeting.

After the nomination of scrutineers, the annual report and the Profit and Loss statement was submitted to the meeting.

Review of Economic Conditions by Sir Hormisdas Laporte, K.B.

We have the honor to submit for your approval the 30th Annual Report and the Profit and Loss Statement for the last fiscal year ended on November 29th, 1930.

Since our last annual meeting, general business conditions have not been nearly as favorable as during the preceding year, and in reviewing the events that have taken place in the economic field, we see that the decrease in prices of raw materials and agricultural products which started on a downward trend in 1929, continued to drop steadily, causing uneasiness and a blowing up in all branches of commerce and industry and seriously affecting the agricultural class.

Our country depending on agriculture and export trade, has not escaped the world depression, which we believe to be without precedent. In spite of the fact that we had larger crops in 1930, the total value of these products is far below that of 1929 owing to a drop in prices of over 30%. The buying power of our farmers is consequently greatly reduced.

As we depend on foreign markets for the outlet of approximately 50% of our wheat, 80% of the products of our forests, 60% of our minerals and 70% of our fishing industry, the adverse conditions prevailing in foreign countries combined with the many tariff revisions, have seriously restrained our export trade, which shows a decrease of 25% with 1929.

The world-wide depression due to various and complex causes has slowed up industrial activities and construction, and has deprived a good number of our workmen from gainful occupation. It has also reduced the buying power of the consumer. These conditions, together with other known causes, have brought about lower prices in the wholesale and retail trades.

We are in a period of readjustment to more normal conditions in the fields of economics and finance which affects all social classes. This readjustment is heavily felt by many industries and commercial enterprises which expanded too rapidly due to an excessive use of credit. At present, the cost of living is relatively high for the farmer and the wage earner. A readjustment should be made owing to the fact that farm produce has decreased in price by more than 30%, wholesale prices by 18%, while retail prices have only dropped about 4%. A systematic reduction in the net operating costs, which have become heavy owing to onerous social and fiscal changes, affecting all classes, including the consumer, would contribute to the betterment of economic conditions.

While constructive forces are already at work to bring about lasting stability in business, artificial means of bringing recovery must be avoided by industry, commerce and finance in order to guard against a re-occurrence of the same conditions. It is the duty of every one to work in his own sphere of action towards the solution of the present difficulties and bring back normal conditions. Thrift, the basis for the accumulation of new capital, must be practised by all including governments, corporations, firms and individuals; unnecessary expenses should be avoided and surplus capital invested with caution and with an eye to safety rather than to immediate profits.

Certain measures taken by our governments and the carrying out of important undertakings by some large corporations and municipalities will be of great help to the unemployed and to our industries. Let us hope that our people appreciating the efforts made to maintain a reasonable degree of activity in our industries, will realize more than ever in the future the importance of buying and using Canadian made products in preference to imported ones. We are of the opinion that the return of prosperity in our country could be given a tremendous impetus if all those doing advertising would encourage the buying of made-in-Canada goods in order to keep our money at home, increase the activity of our various industries and provide employment for our workers.

History shows that in the past we have always had at irregular intervals periods of acute crisis followed by depression in business. The causes of these depressions have been many and their duration varied, but after each and every depression our country has gone forward to new peaks of wealth, income and achievement.

The drop in prices of raw materials has been so marked and rapid that we have reasons to believe that bottom has been reached and the cycle of business is about due for an upward move. If unjustified optimism was apparent in 1928 and 1929 we must not now go to the other extreme and become pessimists.

The inventory of our national wealth tends to impart a feeling of great confidence in the future of Canada, and this optimism is well justified by the abundance of our natural resources which are being developed steadily by the considerable agricultural production diversified in many provinces, by the ever increasing number of our industries, by a thrifty and industrious population and an ample supply of credit. These factors are a comforting reassurance that prosperity will return in the not distant future, depending on the stabilization of economic and social conditions prevailing in European and other countries.

The appointment of a new member to the Board of Commissioner Censors was made during the year. We have reference to the Hon. Raoul O. Grothe, Legislative Counsellor and President of L. O. Grothe, Ltd., well known cigar manufacturers of Montreal, who brings to your institution a large business experience and numerous connections which should be advantageous to your Bank. We hope that you will approve his nomination.

The report of the Board of Commissioner Censors will be submitted during the course of this meeting, and we have pleasure, as in the past, to acknowledge that these gentlemen have given much care and attention to the task assigned to them and in your name and ours, we wish to express our sincere thanks for their timely co-operation and efforts.

I now invite the General Manager to make his commentaries on the Annual Report which has been submitted.

For the Board of Directors,

(Signed) H. LAPORTE,
President.

Commentaries by the General Manager

The general slowing up in business which started at the end of 1929 has spread gradually during the course of the last twelve months to all spheres of activities and has affected to a certain extent the operations and revenues of the banks. Many changes have taken place in the financial conditions due to the general depression and influence of foreign markets. The gradual decrease in stock market securities during the course of the year and the incoming flow of foreign moneys placed here because of higher returns have contributed largely to the decrease of Call Loans against these securities and to a lowering of the rates. Owing to a steady demand, the market for securities with fixed income has been quite active, and as is generally the case in like circumstances, the prices went up rapidly and the yield on high class, easily marketable securities has been considerably reduced.

The statement submitted to you reflects the situation after a trying year of great depression. We are pleased, however, to be able to present you a statement and profits showing only a slight decrease with 1929, which was a year of unprecedented activity.

The net profits as shown by the Profit and Loss statement are $511,457.54, as compared to $551,022.27 in 1929.

Out of these profits, the ordinary dividend at the rate of 9%, representing the total sum of $360,000, has been paid to shareholders. The sum of $69,500 was appropriated for the payment of federal taxes and income tax and $60,000 has been applied to the maintenance of new branches and written off real estate.

After deducting these three items, the balance carried forward to the credit of Profit and Loss account is $463,182.69.

Total assets at the end of November, 1930, were $52,482,028.10, and represent a contraction of about 5½% as compared to 1929. This percentage is relatively small if we bear in mind the depression in business which has made itself felt since the last twelve months. The total assets of banks at the end of November, 1930, showed a decrease of 10% with the corresponding month of the previous year. We then have cause to rejoice on the stability of our position. As we shall show later, we are profiting by the fact that our branches are all situated in Eastern Canada and that the depression in business is apparently not felt as acutely here as elsewhere.

As in the past, we have maintained a high degree of liquidity. Immediately realizable assets of $27,110,273.81 are equal to the high percentage of 58% of the total liabilities to the public. The conservative policy followed in the past and maintained through the period of inflation, and our policy of keeping a high percentage of liquid assets at all times deprives us of a certain amount of revenue. However, we feel well repaid for having followed this course, as during this period of readjustment it has enabled us to avoid much trouble and annoyance.

Loans and discounts total $20,161,420.16, although the depression has reduced the demand for credit. This class of advances represents but a slight decrease with last year due to an increase in the number of our commercial accounts.

To those who benefit from the assistance which is given to them, we believe it timely to point out the increasing importance of reducing expenses, practising thrift and setting up a budget at the beginning of every fiscal year for their guidance. The past year has been a trying one, but it has brought back certain truths which will be useful in the future if they are not too quickly forgotten.

On the liability side, the item "Notes in Circulation," which is a reflexion of commercial activities, shows a decrease. However, total deposits received from the Canadian public only—no branches being maintained abroad—totalled $41,696,138.93, and reflected a decrease of only 2 1/8% with 1929 figures.

An interesting feature of our savings deposits is the fact that they show an increase of over $100,000. This encouraging result can be attributed to the greater stability of Quebec, New Brunswick and Prince Edward Island. Ontario being more highly industrialized, the centres in which we operate have felt more keenly the effects of the general depression, but to a lesser degree than certain Western Provinces.

During the course of the year, a branch was opened at 4494 St. Denis St., Montreal. We have converted into sub-branches one office at Pointe aux Roches and St. Joachim, Ont. Five sub-agencies were opened and six were closed. On November 29th, 1930, we had 138 branches and 196 sub-agencies.

The main office and all our other branches were duly inspected during the year.

It is with pleasure that I acknowledge the devotion to duty shown by all members of the staff at Head office and the Branches. This has contributed largely towards the results obtained during the year, and I wish to express my sincere thanks to all for their co-operation.

(Signed) CHAS. R. ROY,
General Manager.

Commissioner Censors' Report

Gentlemen:

In our capacity of Commissioner Censors of your Bank, we have the honor to submit the report of our activities during the fiscal year ended on November 30th last.

Our monthly meetings have been held regularly in accordance with the requirements of your by-laws. At each one of these meetings we have obtained all the information and explanations that were required, and we have satisfied ourselves that the liquid assets of the bank, consisting of Federal, Provincial, Municipal and other securities and Call Loans, added to cash on hand and deposits with other banks, reached at all times a sum equal to or above the amount prescribed by your regulations.

We are pleased to see that the results obtained during the last fiscal year have been very satisfactory and we recommend that you approve the report presently submitted which reflect clearly the increasing confidence of the public enjoyed by your institution.

For the Board of Commissioner Censors.

(Signed) N. PERODEAU,
President.

Election of Directors and Commissioner Censors

The same directors were elected for the coming year and the personnel of the Board will be as follows:

President — Hon. Sir Hormisdas Laporte, K.B., P.C.

1st Vice-Pres.—Mr. Tancrede Bienvenu.

2nd Vice-Pres.—Mr. S. J. B. Rolland, Mr. H. Gerin-Lajoie, K.C., Mr. Oscar Dufresne, Mr. Joseph Sirois, N.P., Mr. J. B. de Boucherville, K.C., Mr. J. L. Codere, Mr. Charles A. Roy.

The Commissioner Censors have been elected for another term. The Hon. Raoul O. Grothe, L.C., well known industrialist, fills the vacancy of the Board.

The Board of Commissioners for the next term will be as follows:

President—Hon. N. Perodeau. N.P.

Vice-President— Hon. E. L. Patenaude, P.C., K.C., Hon. Cyrille Delage, N.P., Mr. J. L. Fortin, Mr. Alfred Lambert, Hon. Raoul O. Grothe, L.C.

Dominion Steel & Coal Coal Output Declines

From Our Own Correspondent

MONTREAL.—Dominion Steel & Coal Corp., reports coal production in January at a new low level. A total of 209,816 tons were raised during the month from the ten mines, the lowest monthly output in the past few years.

The output for January last year was 279,936 tons, and for December, 1930, 217,327 tons. Scotia pits also fell down in production last month. The output at Princess and Florence mines was 33,667 tons, as compared with 44,027 in the previous month and 42,530 tons in January a year ago.

Bankers Attend Lectures on Law

Classes in business law are being conducted by J. A. Royce McCuaig in Port Arthur and are being attended by bankers and business men. The subjects taken up include contracts, the bankruptcy act, bills of exchange, bailment and principal and agent.

Insurance for Buyer and Seller

GREAT WEST LIFE GAINS $22,000,000 BUSINESS IN FORCE

Amount Issued in 1930 Declines 13 Per Cent to $73,931,000

Great West Life Assurance Co., whose annual report was published this week, issued insurance during 1930 to the amount of $73,931,446 and increased the total insurance in force as at December 31, 1930, to $614,405,447, this figure showing a gain of $22,035,325 over the amount of business on the company's books a year ago. Policy reserves have been increased 9¼ per cent to $99,456,574. In 1929 the company issued $85,236,000 of life insurance. First-year premiums showed a decline from the previous year of $372,496, these amounting to $1,940,267, while renewal and increased premiums at $17,619,661 were better by $435,803.

Income from investments, by way of interest, dividends and rents, was slightly lower in 1930, although invested assets as at December 31 were approximately 7 per cent higher than at the close of the preceding year. This increase is represented by loans on policies $4,000,000 higher than those outstanding in 1929; $2,600,000 more in bonds, debentures and stocks; and $1,666,000 additional in mortgages.

Write Down Book Values

The book values of some mortgages and properties held by the company have been written down, while the contingency reserve of $1,000,000 has been maintained in respect of this item. Bonds and stocks are carried at book values approximately $150,000 less than the market valuations of the Department of Insurance.

Investments Diversified

The company's investments are distributed as follows:

Bonds and debentures	34%
City mortgages & properties	25%
Farm mortgages & properties	21%
Policy loans	19%
Miscellaneous	1%
	100%

The company's balance sheet shows an unassigned surplus of $3,413,907 which compares with the 1929 figure of $3,338,279.

The income and disbursement account shows a balance, carried to net ledger assets, of $8,581,591 compared with $11,003,305 for 1929, the difference being almost exactly offset by payments to policy-holders $2,270,579 heavier than in the previous year. Death claims incurred in 1930 are reported to have been "slightly higher" than normal, but the company does not show in its statement how the $14,159,057 paid to policyholders is distributed in respect of death claims, maturities, dividends and surrender values.

The following is a comparative summary of the leading items in the company's financial report.

Business	1930 $	1929 $
Insur. in force	614,405,447	592,370,122
New ins. issued	73,931,446	85,236,853
Policy reserves	99,456,574	91,021,965
Income		
Prems. (first year)	1,940,267	2,312,763
Other premiums	17,619,661	17,183,858
Interest & rents	5,967,584	6,058,828
Total income	28,325,894	28,098,058
Paid to p'hldrs	14,159,057	11,888,478
Bal. to ledg. ass.	8,851,591	11,003,305
Assets		
Mtges. on r. e.	53,335,861	51,669,427
Bonds & stks.	40,929,929	38,213,616
Loans on po's.	23,484,553	19,421,451
Total l. assets	121,065,381	112,483,790
Non-ledg. assets	8,082,251	6,440,200
Total assets	129,147,682	118,923,990

IMPERIAL GUARANTEE AND ACCIDENT INSURANCE COMPANY
FIRE · MARINE · AUTOMOBILE · ACCIDENT · SICKNESS · BURGLARY · GUARANTEE
ESTABLISHED A.D. 1905

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At a very moderate premium you may secure a MONARCH LIFE assurance policy which will guarantee protection to your dependents and secure your own future.

for particulars write—

The Monarch Life Assurance Company
HEAD OFFICE—WINNIPEG

Operating in Ontario, Manitoba, Saskatchewan, Alberta and British Columbia.

	FIRE	AUTOMOBILE	WINDSTORM
Insurance in force			$180,000,000.00
Assets over			2,700,000.00

Agents required in Ontario.
Write 410 Manning Chambers, Toronto.

THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

THE CANADA NATIONAL FIRE INSURANCE COMPANY
Head Office: WINNIPEG
Toronto Office: 205 Brock Building
Walter J. Steer, Branch Manager
President, J. B. Coyne, K.C., Winnipeg, Man.
1st Vice-President, T. S. McPherson, Victoria, B.C.
2nd Vice-President, Allan S. Bond, Winnipeg, Man.
Applications for Agencies Invited

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA: HAMILTON, ONTARIO
Writing Fire and Automobile Insurance at Cost
Assets $4,784,342.81
ALL POLICIES NON-ASSESSABLE
Paying Dividends ranging from 25% to 40%
BRANCH OFFICES:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, Saint John, Halifax and Charlottetown

Insurance Leaders Join In Condemning Ottawa For Annuity Operations

Government Boasts Annuities Sold Below Cost—While Public Pays For High-priced Salesmen to Solicit Business

Strong support of the attack on the methods and practices of the Canadian Annuities branch at Ottawa by a Canadian actuary, as published in these columns a few weeks ago, has been received by The Financial Post from a dozen or more of the leading actuaries and general managers of Canadian life insurance companies.

Writing from London, Ont., Edward E. Reid, managing director of the London Life Insurance Co., says: "I am glad to see that the question of the justification of the annuities branch at Ottawa actually canvassing for business throughout the country has been brought to the attention of so influential a paper as The Financial Post."

"In a general way we agree with what your correspondent says and we certainly think that if the original purpose and whole history of the Annuities branch were brought clearly before the members of the Cabinet, not much time would be lost in discontinuing active solicitation throughout the country.

"The unfairness with which the life insurance companies are being treated in this connection will be manifest to anyone examining the facts and it is high time that the public knew where the burden of conducting this department was resting.

"I trust that the article published in last week's issue of The Post will help bring about a full investigation."

The article referred to in Mr. Reid's letter appeared in The Financial Post of January 8 and was a bitter attack on the methods and practices of the Canadian Annuities branch at Ottawa by a leading Canadian actuary who wrote at considerable length to The Post expressing his views on the matter.

Public Pays All Expenses

The charges laid against this department by this actuary, and which The Financial Post believes are fully substantiated by the facts of the case, are that the Annuities branch has departed very widely from its original methods of encouraging thrift among Canadian people and has set up an expensive annuity-selling organization from coast to coast in direct competition with Canadian life insurance companies. As a result, Canadian companies have been virtually driven from this field in Canada due to the fact that the rates charged by the Government for these annuity policies are absurdly low to begin with, and in addition they contain no provision whatever for expenses, the entire expense of this Government-controlled selling organization being paid by the people of Canada out of the Consolidated Revenue Account of Canada.

In addition it is charged that the reserves set up by the authorities in charge of this branch are ridiculously low and that if not increased they will cost the people of Canada millions of dollars over a period of years when the annuities now being sold on this basis come to be paid.

Salesmen Earn $4,000 to $5,000

In substantiation of the fact that these annuities are being sold below cost The Financial Post publishes herewith a facsimile of the regular routine letter sent out by the superintendent of the annuities department, in which it is openly boasted that these annuities are sold below cost—

DEPARTMENT OF LABOUR

CANADA

GOVERNMENT ANNUITIES BRANCH

(CC OTTAWA, Nov. 4th, 1930.

Dear Sir:

Agreeably to your request I have pleasure in enclosing copy of booklet descriptive of the Canadian Government Annuity System.

After reading this booklet, if you will fill in the coupon contained therein, outlining the plan on which you would like to purchase and giving your age last birthday, I will send you full information as to the cost of obtaining an annuity.

The Canadian Government Annuity System is provided to the Canadian people at less than cost, X there being no loading of our rates for either profits or expenses. The income from an annuity is free from Federal Income Tax; it cannot be seized or levied upon in any court of law; and it is also secured by the whole resources of the Dominion.

Yours truly,

E. G. Blackadar,
Superintendent.

the difference of course having to be made up by the people of Canada. This may have been justifiable many years ago when annuities were only sold in a small way at very little expense through local post-offices in order to encourage thrift, but the situation is very different now when trained insurance salesmen earning in some cases between $4,000 and $5,000 a year, are canvassing rich and poor in the community in ruinously unfair competition with organized life insurance companies.

AETNA LIFE CONTEST WON BY MONTREAL

Agency Gained Supremacy Over 80 Others in Keen Affair

From Our Own Correspondent

MONTREAL. — The Montreal agency of the Aetna Life Insurance Co. gained first place in an international contest held recently among the 80 agencies of the company for most business written in the ten week period from September 29 to December 6, 1930.

Each agency was given a quota for the period rated at 150 per cent of business written in 1929. The contest was evolved along novel lines and took the form of an endurance flight. The quota of the Montreal agency, in terms of the competition, was 1,600 flying hours a week or 16,000 flying hours in the ten week period.

Nearly Doubled Quota

A total of 27,897 flying hours was turned in by the Montreal agency, a visible indication of the success achieved. In terms of insurance this represented $890,000 of paid life; $490,000 group life and group health and accident, and 50 paid applications for commercial accident insurance.

Each agency was given a handicap, and though there were other agencies which produced more business than the Montreal district, the winners exceeded their allotted quota by a wide margin. The territory served by the Montreal agency includes Montreal and Eastern Ontario.

ROYAL GROUP POLICY BOON TO EMPLOYEES

Fifth Year of Operation Finds $138,000 Paid in Death Claims

Death claims amounting to $138,000 on 43 policies have been paid since the Royal Bank of Canada first put into operation its group insurance plan in September, 1926, according to a report in the Royal Bank magazine for January. Of these, seven were sudden deaths and six others accidental.

In addition seventeen total disability claims, aggregating $40,000 were also recognized by the company.

The plan has proved "to be of inestimable benefit to many bereaved families and officers incapacitated for further duty," according to the magazine report. Here are some of the benefits enjoyed by officers of the bank who have been unfortunate enough to suffer serious accidents.

Total premiums paid by officers	Amount of insurance		Terms of settlement
$27	$3,000	$50	per month for 5 yr.
45	3,000	125	" " " "
25	2,000	55	" " " "
35	5,000	25	" " " "
51	2,000	83.33	" " " "
25	2,000	55	" " " "
81	5,000		Cash settlement
63	3,000	50	per month for 5 yr.

North American Now Becomes Mutual Life Co.

Mutualization of the North American Life and retirement of J. H. Gundy as chairman of the board and as a director of the company are aftermaths of that company's annual meeting held last week.

The company's share capitalization at the present time consists of a guarantee fund of $60,000 representing a 20 per cent call on the $300,000 of subscribed capital stock. The authorized capital stock is $1,000,000, the change having been made from $300,000 to this figure in 1928 when Thomas Bradshaw and J. H. Gundy purchased control of the company. No use has been made, however, of the additional authorized capital, and according to the plan for mutualization now outlined the entire capitalization would disappear and the capital stock shareholders would be paid off from the company's surplus funds.

It is understood that Mr. Bradshaw now owns the majority of these shares personally and that he has indicated his willingness to accept their redemption at the actual price paid for them three years ago, with interest from the time of purchase, less dividends received.

North American Life was founded in 1881, and, as of Dec. 31, 1930, total assets were valued at $45,221,900, an increase of $3,000,000 over the previous year. New assurance in 1930 amounted to $26,856,811, the total assurance in force now standing at $192,535,106. Total income for the 12 months of 1930 amounted to $9,143,771, the sum of $6,433,801 being derived from premiums and $2,461,393 income from investments. Total payment under policies in that year amounted to $4,402,205.

At the annual general meeting, Thomas Bradshaw was elected president, W. K. George, W. B. Taylor, and C. W. I. Woodland as vice-presidents, and C. L. Burton, F. S. Corrigan, Hon. G. S. Henry, premier of Ontario, A. C. McMaster, K.C., A. J. Mitchell, G. H. A. Montgomery, K.C., F. A. Rolph and Hon. L. A. Taschereau, premier of Quebec, as additional directors.

NORTH AMERICAN BUSINESS IN FORCE UP ONLY $2,325,000

North American Life Assurance Co. closed 1930 with a gain in insurance in force of $2,324,797, making the total of business on the company's books as at December 31, $192,535,106. New assurances, including policies issued, received and increased, amounted to $26,856,811. This figure compares with $30,950,788 for 1929.

Premium income received during 1930 amounted to $6,433,801, while income from investments in the form of interest, dividends and rents amounted to $2,461,393, this being $129,092 in excess of the receipts from the same source during the preceding year and representing an interest rate of 6.14 per cent upon investments assets, which is practically the same as for 1929. The total income at $9,143,772 was $147,297 higher, though this increase was more than offset by heavier disbursements, chief among which was a net increase in payments under policy contracts of $283,574. Under this head, dividends paid to policyholders were up $120,000, death claims and maturities were lower, while there was an increase of $262,000 in surrender values paid.

The company's assets as at December 31, 1930, showed an increase of over $3,000,000 since the previous year. Holdings of government and municipal bonds were increased by about $75,000, and other bonds and stocks by almost $1,000,000. First mortgages on real estate were extended $616,000; 84 per cent of the total is urban mortgage. Loans to policyholders showed the biggest advance, in common with the experience of most life insurance companies due to present difficult conditions, these standing at $6,743,722, an increase of $1,033,361 over the figure at the end of 1929.

Surplus funds, after payment of dividends to policyholders, were increased by $708,921, these now standing at $8,007,552. This total includes amounts contingently and absolutely apportioned to policyholders as well as free or unallotted surplus.

The following summary compares the chief items in the company's financial statement for 1929 and 1930.

Business	1930 $	1929 $
Ins. in force	192,535,106	190,210,309
New ins. issued	26,856,811	30,950,788
Policy reserves	35,081,392	32,882,565
Income and Disbursements		
Net prem. income	6,433,801	6,248,094
Interest & rents	2,461,393	2,332,301
Paid to policyholders:		
Death claims	1,257,533	1,348,401
Dividends on pols.	1,198,418	1,077,584
Mat. endowments	382,825	416,991
Mat. invest. pols.	326,285	331,096
Surrender values	1,040,858	778,812
Assets		
Govt. & mun. bonds	11,826,195	11,557,993
Other bds. & stocks	13,073,664	12,086,603
1st mtges. on R.E.	11,053,552	10,700,529
Loans on policies	6,743,722	5,710,361
Net ledger assets	43,666,189	40,678,106
Total assets	45,221,900	42,134,903

R. W. Craig is President of Western Empire Life

Retirement of W. Smith, president and founder of the Western Empire Life Assurance Co., from active business has resulted in a number of changes in the company's officials. Mr. Smith is succeeded as president by Hon. R. W. Craig, K.C., who has been vice-president of the company and was formerly attorney-general of Manitoba.

Brig.-Gen. Dyer was elected vice-president and C. Rice Jones and Dr. A. J. Fraser were added to the directorate. F. C. O'Brien, secretary-treasurer of the company, has been appointed general manager. The company reports an increase of 40 per cent in 1930 business compared with business in the previous year.

Commercial Life Issues Convertible Term Policy

Commercial Life Assurance Co. of Canada announces a special "T" policy. This is a five year, convertible, all guaranteed, term policy and permits temporary insurance coverage at a low rate that may be later converted into any type of insurance that the insured desires or can afford.

The term of the policy is for five years and in the event of face value of the policy becoming payable the beneficiary receives it in five equal annual payments. Within the first three years of issue, the insured can change to any other plan of insurance issued by the company without medical examination.

Estate of J. C. Gage Largely Insurance

The estate of John Charles Gage, grain merchant of Winnipeg, is tentatively estimated at $530,479 by the Royal Trust Co. as trustee and co-executor.

Nearly half the value of the estate was in life insurance and bonuses, the figure being tentatively put at $229,174. The estate will require approximately $61,194 to pay succession duties.

As the remainder of the late Mr. Gage's estate was in stocks and real estate, the fact that he carried nearly a quarter million of life insurance which is a readily realizable asset, will undoubtedly prove of inestimable value to the estate in providing liquid funds for payment of succession duties and other immediate items.

Insurance Inklings

JAMES HUNTER, F.F.A., A.A.S., has been appointed actuary of the Confederation Life Insurance Co.

MURDOCH FERGUSON and J. H. MULHOLLAND have been appointed branch managers of the two newly opened Toronto branch offices of the North American Life Assurance Co.

DR. J. G. McDOUGALL, Halifax, has been elected president of the Maritime Life Assurance Co., succeeding HON. E. A. REILLY, Moncton, who becomes chairman of the board and RED HUGH McLEAN, Bathurst, N.B., has been elected a member of the board in place of his father the late Angus McLean.

HAROLD VINCENT has been appointed district manager for the Mutual Relief Life Insurance Co. at Saint John, N.B.

ALBERT W. MATTHEWS has been elected a director of the Excelsior Life Insurance Co. Mr. Matthews is president of Matthews & Co., investment bankers, Toronto, and is also a director of the Toronto General Trust Co.

Over 100 field men from the district attended the life underwriters' educational congress held in Hamilton on January 22 and 23.

E. W. BEAN, formerly branch manager for southern Saskatchewan of the Saskatchewan Life has been appointed head office inspector and will be devoting his entire time to investment and conservation work.

L. J. ROBB, has been appointed branch manager of the southern Saskatchewan branch of the Saskatchewan Life, succeeding Mr. Bean. Mr. Robb has been in the insurance business for many years and has recently been western superintendent for one of the eastern companies.

ARCH ROBINSON, C.L.U., has been appointed branch manager for southern Alberta for the Saskatchewan Life Insurance Co. Mr. Robinson has had many years' experience and has recently been acting as inspector for one of the large eastern companies.

Licenses Issued

DOMINION

Mount Royal Assurance Co. has been licensed to transact fire, automobile, explosion, inland transportation, plate glass, sprinkler leakage and tornado insurance and insurance against loss of, or damage to, personal property.

Ocean Accident & Guarantee Corp. has been licensed to transact insurance against loss of, or damage to, growing crops by hail in addition to classes for which it is already licensed.

The Universal Insurance Co.—licensed to transact insurances against loss of or damage to personal property in addition to classes for which already licensed.

The Pacific American Fire Ins. Co.—has been licensed to transact fire, sprinkler leakage, tornado insurance, and insurance against damage to property caused by the explosion of natural or other gas. B. G. D. Phillips, Vancouver, has been appointed chief Canadian agent.

ALBERTA

The Canadian Order of Chosen Friends has withdrawn from the province of Alberta as of September 9, 1930.

ONTARIO

Home Fire & Marine Insurance Co. of California, has been licensed to transact fire, automobile, explosion, property and weather insurance in Ontario for the term ended June 30, 1931.

QUEBEC

Home Fire & Marine Insurance Co. of California has been licensed to transact fire, automobile, excluding insurance against loss by reason of bodily injury, sprinkler leakage and tornado insurance and insurance against damage to property caused by explosion of natural or other gas. Robert Hampson, 451 Saint John St., Montreal, is chief agent for the province.

FAIRCHILD AIRCRAFT SECURES BIG ORDER

Builds Ten Aeroplanes for Dept. of National Defence

From Our Own Correspondent

MONTREAL. — Fairchild Aircraft Ltd., is constructing ten machines of the five and seven-passenger capacity type at its Longueuil plant for the Department of National Defence. The order constitutes the largest number of fuselages which the company has had in process at any one time since commencement of operations in the new plant in May, 1930.

Aircraft under construction are the 71-B high wing monoplanes. They are equipped with Canadian Pratt and Whitney Wasp engines, assembled at Longueuil. In addition to aircraft, orders received cover seven sets of the new type Fairchild pontoons which are being laid down in the recently organized pontoon division. Initial production will be for Bellanca Aircraft Co. of Canada.

Inaugurate Camera Division

A further extension of the company's facilities is seen in the development of an aerial camera department. Partial manufacture and assembly will be commenced immediately and manufacturing will be done entirely at Longueuil as soon as developments warrant.

Further dredging of the seaplane base was carried out in the fall of 1930 and work will be continued after the winter breaks up.

THE
Western Empire
Life Assurance Company
HEAD OFFICE
701 Somerset Building
Winnipeg, Man.
Branch Offices:
SASKATOON EDMONTON
CALGARY VANCOUVER

MOIRS CONCLUDES ENCOURAGING YEAR WITH PROFIT GAIN

Earned $5.10 a Share Against $4.25 in Previous Year

From Our Own Correspondent

MONTREAL.—Sales and earnings of Moirs Ltd., candy and confectionery manufacturer, created a company record in 1930. Net earnings, after provision for all taxes and bad debts, amounted to $296,568 as compared with $273,958 in the previous year. After deduction of bond interest and depreciation, earnings were equal to $5.10 a share on 15,246 no par common shares, as compared with $4.25 a share on 15,133 shares in 1929.

In its working capital position the company shows a slight improvement at $964,724 as against $957,652 at the end of 1929 and total assets at $4,432,518 show an expansion over the previous year's figure of $4,123,569.

Following is a comparison of profit and loss figures for the past two years:

	1930 $	1929 $	1928 $
*Net earn.	296,568	273,958	244,196
Bond int.	84,208	86,060	87,750
	212,360	187,898	156,446
Deprec.	133,524	123,576	111,273
Net profit	78,836	64,322	45,173
Prev. surp.	221,072	156,749	111,576
P. & L. surplus	299,908	221,071	156,749

*—After operating and maintenance expenses, all taxes, and provision for bad and doubtful debts.

Carry Out Expansion

Considerable expansion was carried out during the past year. A new building was constructed to house the various service departments. New concrete dams were also built at Kearney Lake and Paper Mill Lake, these dams being part of the hydro system supplying power to the Bedford plant of the company. These additions have found reflection in plant valuation which was carried at $2,797,091 in the balance sheet as compared with $2,617,153 in 1929.

Accounts receivable at $576,063 have declined from $618,095, while inventories are higher at $1,018,045, as compared with $819,754. Investments are valued at $19,181 as opposed to $43,497.

Bank Loans Higher

In liabilities, bank loans have risen from $358,314 to $501,050, and accounts payable are about $2,000 lower at $74,366. Reserve for depreciation and contingencies has been increased by $106,488 to $675,576, and funded debt now totals $1,295,500, representing a reduction of $28,500.

During the year, there were issued 113 additional shares of common stock, bringing the total number outstanding to 15,246, which are carried out at a value of $100 a share. Profits and loss surplus has advanced from $221,071 to $299,908.

In his address to shareholders, director said in part:

"Inventories of raw materials and finished stock have been conservatively valued, and ample allowance has been made for all doubtful accounts. The various plants and properties of the company have been maintained in a high state of efficiency and all outstanding liabilities have been provided for.

"New construction contemplated for the coming year includes the construction of a three-story fireproof building at Bedford, as an addition to the Bedford chocolate plant, and a new power house and electric generating plant, also at Bedford."

Underwriter Agency Wanted

Man with life and casualty experience, graduate Toronto University, seeks position in casualty office serving Western Ontario. Salary and commission. Box 251, The Financial Post, Toronto, Ont.

HEART OF THE FINANCIAL DISTRICT—
INSURANCE EXCHANGE BUILDING

In the few hundred yards surrounding the Insurance and Exchange Building, the concentrated essence of Canadian business is transacted, and the district may be aptly called the Mecca of all commercial visitors to the Metropolis.

There is desirable space available NOW, something to suit a large organization to a small company, at extremely moderate rentals, long leases and plenty of room for expansion.

INSURANCE EXCHANGE CORPORATION
Room 228, Insurance Exchange Building
276 St. James Street, Montreal

Motor Vehicle Revenue Gains

The Province of New Brunswick's revenue from motor vehicles for the fiscal year ended October 31 amounted to $1,591,220 in cash receipts, which is an increase of 21 per cent over the previous year and establishes a new high record.

ESTABLISHED 1872
SENECA JONES & SON
HOME OFFICE: HAMILTON, ONTARIO
CANADIAN GENERAL AGENTS FOR
Fidelity American Insurance Company
Mill Owners Mutual Fire Insurance Company
INQUIRIES FROM WELL-ESTABLISHED AGENCIES INVITED
COAST TO COAST SERVICE

1930 Surplus Earned Largest for Continental Life

The figures below, which indicate the position attained at 31st December, 1930, fully justify the words of the President, who at the Annual Meeting of the Company, said, "We have been able to come through a trying time bigger, stronger, sounder than ever," with substantial gains in assets, reserves, surplus and insurance in force:—

Insurance in force	$40,202,994.00
Insurance issued	8,650,800.67
Assets	7,203,577.30
Reserves	6,379,892.00
Income	1,667,824.61
Payments to policyholders and beneficiaries in 1930 (75 per cent paid to living policyholders)	729,124.07

Copy of complete Report for 1930 mailed on request.

Continental Life
Insurance Company
Head Office: Toronto George B. Woods, *President*

The Great-West Life Assurance Company

ANNUAL REPORT FOR 1930

Largest Surplus in Company's History

Profits to Policyholders to be continued on same liberal scale

Company's Investments in Unassailable Position of Safety

	1920	1925	1930
Gross Surplus Earned	$ 1,388,897	$ 4,001,919	$ 6,075,327
Assets	37,382,646	73,176,969	129,147,632
Liabilities	35,602,545	70,175,398	124,733,724
Income	10,155,046	19,478,795	28,325,893
New Business Issued	60,579,025	71,914,357	73,931,446
Business In Force	256,850,251	420,406,920	614,405,447
Accrued Profits to Policyholders, not due	2,887,943	7,236,072	10,559,742
Unassigned Profits and Contingency Reserve	1,032,014	2,801,571	4,413,907

THE **GREAT-WEST LIFE** ASSURANCE COMPANY
HEAD OFFICE · · · WINNIPEG

Canadian Mining News

TECK-HUGHES FIRST QUARTER PROFIT LOWER

Reported Clean-up Said to Be Responsible For Cheaper Grade

INCREASE IN SIGHT

Programme of Deepening Not Expected to Be Insuperable One at Kirkland Lake

Earnings by Teck-Hughes Gold Mines for the first three months of its fiscal year, or to November 30, 1930, were $737,809 as compared with dividend requirements of $717,072. This is equivalent to 15.4 cents per share for the quarter as compared with 16 cents per share for the previous quarter.

The following statement of income gives the estimated earnings and surplus for the three months ended November 30 last with comparative figures for the same period in 1929.

	—Quarter Ended— Nov. 30 1930	Nov. 30 1929
Gross income	$1,334,110	$1,353,028
Operating costs	467,499	515,554
Net earnings	866,611	837,474
Estimated taxes	65,955	64,183
Net before deprec.	800,655	773,291
Estimated deprec.	62,846	53,986
Estimated surplus	737,809	719,805

The recovery in the last quarter of the calendar year shows an appreciable drop in the grade of ore treated. This is understood to be on account of the clean-up of some of the old stopes on the upper levels, and it is anticipated that the January production will show a substantial improvement.

The company's fiscal year ends on August 31. The following is a comparison of production for the last two quarters of 1930, with a total for the entire year:

	4th quar.	3rd quar.	1930
Recovery	$1,239,415	$1,377,184	$5,399,988
Tons treated	85,380	85,250	338,555
Recov. per ton	$14.50	$16.15	$15.95
Daily av. tons	938	947	941

Early this year the company carried out preliminary work with a view of deepening its working to an objective of 6,730 ft., or the 55th level. Late in the summer the company completed a new shaft to the 30th level or a depth of 3,506 ft., and the present job of sinking to the 55th level, which will start in a few weeks, is planned for a completion in 1933. Simultaneously as the new South shaft is carried to the 55th level the three-compartment winze, started in January, 1930, will be deepened from the 30th level, providing a duplicate exit and ventilation for operations.

The new levels between the 25th and 30th are all being drifted. The lowest level on which stoping is carried out is the 22nd, while the lowest levels from which ore is being drawn is the 21st.

Temperature is Problem

The present programme to sink to the 55th level or a depth of 6,730 ft., will make it by far the deepest mining operation in Canada. At the present time on the adjoining property the Kirkland Lake Gold Mining Co. is working on the 4,275-ft. horizon. At this depth the rock temperature is about 70 deg. F., and is increasing at the uniform rate of about one degree for each 140 ft. of depth. Assuming that the same conditions prevail at Teck-Hughes there is an indicated rock temperature of approximately 87 deg. F. with a depth of 6,730 ft.

At a depth of 10,000 ft. the indicated temperature of the wall rock would be approximately 111 deg. F. At the present time no mine has been worked to a depth of 10,000 ft., although there are a number in South Africa, Brazil and India that have been worked to depths close to 8,000 ft.

The most critical factor at the present time at such a depth is the temperature, but the effectiveness of modern science in meeting these problems is expected to permit of much greater depths being worked at a profit. Air conditioning in deep mines has already been successful. It has been established that there are certain relations between the body and skin temperatures and the temperature, humidity and velocity of the surrounding air.

The relation of air motion to effective temperature can be controlled, producing the same degree of comfort in a much higher temperature. At about 100 deg. F. effective temperature can be conference in cooling effects between still air and rapid motion, and air conditioning must be supplemented by a cooling medium to obtain the required degree of comfort.

OLD COLONY PLANS MORTGAGE

Mining Enterprise Would be Ready When Metal Price Improves

Directors of Old Colony Mines, owning property in Arizona and Newfoundland, met last week in Toronto to consider a plan of reorganization. It contemplates creation of a first mortgage note issue of $100,000, clearance of all obligations and transfer of properties to a new company of reduced capitalization. Nearly $30,000 of the proposed note issue has already been subscribed, conditional upon minimum subscriptions of $75,000, when the plan will become operative.

While operation is not contemplated under present base metal and silver prices, it is hoped to keep the properties intact and ready for activity when conditions warrant. The Arizona property has heretofore produced approximately $2,000,000 from depths above 400 feet and the present company had expended over $200,000 upon a plan of deeper development to January, 1930, when Stobie, Forlong & Co., which had financed operations, was forced into bankruptcy. Total obligations of the company are less than $70,000, of which all but a small sum is due to the successor to the brokerage company for monies advanced and to the owner of part of the Arizona property which is under option.

Metal Prices

New York—February 3—
Copper: Electrolytic spot, 9⅝c. lb.
London—February 3—
(Long ton)—
Copper: Electrolytic spot, £45, 10s; future, £46, 10s.
Standard spot, £43, 10s; future, £43, 5s.
Tin: Spot, £112, 15s; future, £114, 5s.
Lead: Spot, £12, 17s, 6d; future, £13.
Zinc: Spot, £11, 15s; future, £12, 5s.
Silver: 12-13/16d. per ounce.

Public Regaining Faith In Standard Exchange

Rules Now in Force, New Personnel Make it Evident Buyer of Mining Will Be Fairly Treated

SUMMARY of January sales on the Standard Stock and Mining Exchange shows the total of transactions higher than in any other month for the last ten, with the exception of September, when there was exceptional activity in one issue.

There are two reasons for this. One is that the gold stocks have been in such position that they have attracted a great deal of investment and speculative buying. The other reason is that public confidence in the Standard Stock and Mining Exchange gradually is being restored.

It is gratifying to note the interest in the gold stocks. A reviving interest in such issues, with high prices for gilt-edged bonds, is a forerunner of broader trading in all other stocks following a period of depression.

It is pleasant to note that the public is gaining confidence in the Standard Stock and Mining Exchange.

Has Legitimate Place

Throughout all the discussion of the evils in the mining brokerage business a year and more ago, The Financial Post always maintained that there was a legitimate place for a legitimate mining exchange. Much of the trouble which has afflicted the Canadian mining market would have been avoided if the Standard Exchange had not come under the domination of the group of brokers who later were convicted of serious crimes against investors and speculators in mining stocks.

The "Big Five" houses are no more. The heads of those houses are definitely, and doubtless permanently, out of the mining business.

The Standard Exchange now is controlled by a new group. The Financial Post believes that the new group is a better group. It is apparent that the rules that have been adopted for the protection of the client of the broker are as broad and stringent as could be devised. Moreover, the law has been strengthened; the public authorities are more alert. No loopholes to permit the exploiting of the public are evident.

Public Now Protected

The mining investor or speculator now may buy or sell stock through a Standard Exchange member in full confidence that his order will be filled and not bucketed. The public, under the rules now in force, has a chance to profit.

Brokers who conduct a legitimate business will not make fabulous fortunes in a few months. But they, as well as members of other exchanges, under present rules and methods have an opportunity to build a sound business.

They have an opportunity to benefit the mining industry and the mining public. In taking advantage of this opportunity they will in the long run do well by themselves.

The present membership of the Standard Exchange, standing back of a zealous committee, is to be congratulated on the evident thoroughness of the housecleaning. The reward will come in a gradual increase in business, in a service to an important national industry and in a reputation for integrity which will grow with the years as a greater measure of public confidence is regained.

Report on Pandora Said to be Favorable

From Our Own Correspondent

ROUYN.—The mining engineer representing the New York interests who are providing $310,000 for the further development of the Pandora mine, in Cadillac township, has completed his report. The report, prepared after an examination of the mine, is favorable. The New York interests are satisfied and the payments are to be made each month, starting this month and ending in June of the current year. It is understood that the money may all be advanced before it is actually due.

Various parts of the equipment for the deep development programme have been ordered. Some of this has already arrived at Amos, and is to be hauled to the mine as quickly as possible.

STANDARD SALES AT HIGHER FIGURE FOR LAST MONTH

Gold Stocks Lead, But Some Penny Issues Are Active

A distinct revival in public interest in Canadian mining and oil securities is revealed in the monthly report of transactions on the Standard Stock & Mining Exchange at Toronto.

Sales for January were 8,145,949 shares, which was nearly double those for December and the largest figure since last September, when marked activity in Acme Gas brought the sales high above the average. January transactions were the second highest in the past ten months and were only exceeded on three occasions in 1930.

141 Different Issues

The shares dealt in during the month had a total market value of $6,950,725, which was the second largest since last September and the fifth largest in the past ten months.

There were 141 different issues dealt in, and the month ended with 87 of these showing advances, 29 losses and 25 unchanged.

Gold stocks were most prominent with practically all of these securities selling at higher prices. Some of the most important advances for the month were as follows: Noranda, $2.80, Lakeshore $2.25, Hollinger $2.00, McIntyre $1.75, Dome $1.05, Teck Hughes .90, Granada .40, Wright Hargreaves .31, Sylvanite .22, Kirkland Lake .17, Vipond .15, and Barry Hollinger .06½.

Penny Stocks More Active

There was a marked public interest in some of the lower priced issues, notably Clericy Consolidated which was traded in to the extent of 458,300 shares with a net decline of one sent, Bidgood with 457,000 shares and a net gain of 1¼, Bunker Hill with 430,900 shares and a net gain of 2½, and Barry Hollinger with 330,000 shares changing hands.

The monthly report of sales and values compares as follows:

	Shares	Values
1931		
Jan.	8,145,949	$ 6,950,725
1930		
Dec.	4,215,537	4,083,558
Nov.	4,586,674	3,665,270
Oct.	6,312,478	6,591,589
Sept.	9,585,458	7,723,949
Aug.	4,455,946	3,532,844
July	5,173,685	3,701,355
June	6,707,102	10,428,035
May	7,009,204	11,689,394
Apr.	5,306,385	12,818,995

Mining Stock Index Again Shows Increase

1926=100

The weighted index number of seventeen mining stocks computed by the Dominion Bureau of Statistics on the base of 1926-100 was 72.4 for the week ending January 29 as compared with 69.9 for the previous week.

Eleven gold stocks rose from 70.0 to 72.2. Gold copper stocks represented by Amulet and Noranda rose from 75.2 to 80.3. Four silver and miscellaneous stocks rose from 32.3 to 32.7.

RITCHIE GOLD EXPECTS TO GET N.Y. MONEY

Kirkland Lake Development Believed By Backers to Promise Well

Financial arrangements have been completed whereby Ritchie Gold Mines is assured sufficient funds to enable operations at the property to be resumed at an early date.

New York interests have optioned 1,500,000 treasury shares on a sliding scale schedule of prices, with a minimum above the current market quotation of 10 cents per share, and are to make an initial payment at once in excess of the company's current liabilities, which approximate $4,000.

The authorized capitalization of the company was increased from $3,000,000 to $4,000,000 at the last annual meeting, of which about 2,500,000 shares of $1 par value each are outstanding. In addition to taking up the 1,500,000 shares of treasury stock the financial interests have optioned some of the stock held by the principal shareholders, which when the option is entirely completed will give the new interests stock control of the company.

Good Values Indicated

Ritchie owns 240 acres in Gauthier township, immediately east of the producing section of Kirkland Lake. The company was incorporated in January, 1928, and surface exploration started at that time, exposing a strong vein system for the length of 2,600 ft., which gave encouraging assays. Diamond drilling on this vein system in five holes across the property indicated values from $3 to $19 in gold per ton over widths from 6 to 10 ft., at an average depth of 400 ft.

Three of these holes showed commercial ore. No. 1 hole put down to a depth of 400 ft. showed $9 in gold over a width of 9 ft. No. 2 hole sunk to a depth of 450 ft. carried $13 values across 10 ft., and No. 5 hole sunk to 380 ft carried $19 in gold across 6 ft. A second diamond drilling programme commenced in January, 1929, to pick up the extension of the Murphy vein system which adjoins the company's property to the west. No. 6 and No. 7 holes were put down, but only low values were obtained, about $3 across a width of 5 ft.

A three-compartment shaft was sunk in October, 1928, and carried to a depth of 500 ft. Levels were established at intervals of 105 ft. Cross-cutting on the 500-ft. level at a distance of 525 ft. from the shaft encountered a vein 8 ft. in width which was exposed on the surface and indicated by diamond drilling. After drilling 100 ft. on this vein a fault was encountered, but it was again picked up showing a width of 9 ft. for a length of 50 ft. in a well - mineralized phorphry. Operations were suspended in December, 1929, owing to lack of cash, and the general chaotic condition of the securities market prevented re-financing until the present time.

O. B. Earle, of Toronto, president, advises that upon completion of the present option agreement, sufficient money will have been provided to carry the shaft to the 1,500-ft. horizon and opened up the intermediate levels, to provide for a 100-ton daily capacity mill, and launch the property on a production and self-sustaining basis.

Consolidated Tin Corp. Exercises Bernie Lake Option

Financial arrangements have recently been completed by the Consolidated Tin Corp. and options held by the company on the Bernie Lake group of claims, about 97 miles north, east of Winnipeg, have been taken up. According to an announcement from Winnipeg a party has been sent into the company's property to do further sampling.

Through a recent change in the company's directorate the following are now its list of officers and directors, Dr. C. K. Langford, Saskatoon, president; R. H. Webb, Winnipeg, vice-president; L. F. Farrell, Saskatoon, Secretary-treasurer. Other directors are A. W. Hutchinson, A. L. Koyl of Edmonton, K. A. Blatchford, Edmonton, and E. N. Todd of Montreal.

ABANA MINES NEEDS BIG SUM TO PAY DEBTS

F. M. Connell, President, Replies to Criticisms of Board

In the annual report of Abana Mines for the year ended December 31, it is estimated that approximately $425,000 will be required to liquidate the company's indebtedness and bring the mine into production.

The total liabilities of the company are $214,432 against which there is cash and accounts receivable amounting to $5,440. The principal liability is $133,339 owing to the Mining Corp. of Canada, under terms of an agreement of August 5, 1930, and subsequent arrangements, for final payment on the property, and for development work. Bills payable amount to $39,375 and are principally advances made several months ago by the company's president, F. M. Connell. Accounts payable and estimated accrued charges amount to $41,717.

Connell Makes Statement

In a statement to the shareholders, F. M. Connell, president of the company, said:

"At the annual meeting of shareholders held October 28, 1930, in Montreal, the present board of directors was elected by a large majority. The personnel of the board was chosen with the idea of procuring harmony and having all important groups represented, and while the board does not control the capital stock of the company, several are large shareholders. They have spent considerable time in the affairs of the company without remuneration and have been put to considerable personal expense for which they have not been reimbursed. Their only endeavors have been to save the shareholders the title of their property which has been transferred to the Mining Corp. of Canada and to find some means of liquidating the indebtedness of over $200,000 which they found on taking office, also to secure capital to bring the property into production.

"At the annual meeting on October 28 last the shareholders unanimously approved in principal of the proposed plan to increase the capital stock and sell new shares thus created for a sufficient sum to pay the debtedness of the company; obtain title to the property; complete the plans, and prepare the mine for production.

Financing is Blocked

"Negotiations were open to obtain a firm underwriting of new shares before offering it to the shareholders. These negotiations were on the verge of completion when a letter signed by Alfred J. MacDonald on behalf of the Abana Shareholders' Protective Committee, which circulated among shareholders, caused the principal underwriters to withdraw from the negotiations bearing dissension.

"The board thereupon started negotiations to borrow on a bond issue the money necessary to consolidate the present indebtedness, provide funds to complete the mine, and mill programme, but these negotiations also failed for the same reason that brought the underwriting negotiations to an end.

"The shareholders' protective committee has now made it impossible for the present board to carry out the plan of financing which was discussed and approved at the annual meeting, and the directors now feel that in the best interests of the company that an annual meeting of shareholders should be held as soon as possible, and the present board are not offering themselves for re-election, but are pleased to co-operate with the new board in the interests of the shareholders."

A. C. Clement, mine manager of the company, in his report to the Mining Corp. of Canada which is incorporated in the company's annual report said:

"During the period from January 1, 1930, to December 31, 1930, the programme of mine development commenced in 1929 was continued. Construction of a milling plant was started and largely completed; a new head frame, warehouse, and other surface improvements were completed; the power was changed from Diesel engines to hydro-electric under favorable power contracts; the road between the mine and the Dupuy was greatly improved, and No. 2 shaft was sunk to the 675 ft. level. From August 15, 1930, to the end of the year operations were under the supervising management of the Mining Corp. of Canada.

"After this company took charge on August 15, and in view of the greatly changed conditions, a new programme was worked out. This involved the continuance of mill construction, to enclose the buildings and protect them and the equipment. Extending the fire protection line above and into the concentrator, sinking the No. 2 shaft to the 800 ft. level, and developing the 675 and 800 ft. levels to test the diamond drilling results and continuing the work on the Abana Dupuy Road to protect the work already done.

"If the developments of the two new levels gave satisfactory results and was intended to prepare the mine for production at the rate of 500 tons per day and to complete the milling plants and general equipment to that capacity as soon as it could be judged that the metal prices would justify the expenditure.

"Construction work on the mill was completed, the preliminary stage in this programme and a No. 2 shaft was equipped with a sinking apparatus. During the latter part of September the shaft was sunk 107 ft. to the 673 ft. horizon. However, it was decided to suspend operations on September 30 and the property was put in condition for indefinite shut-down. The mine has been kept dewatered, the pipe lines for fire protection are in condition for use on all portions of the property and the boiler plant is kept ready for immediate connection with the underground pumps in event of power failure.

"Construction of the milling plant amounting to 250 tons daily capacity, commenced in April, is about 80% completed. Building construction is practically finished, and the equipment in place with the exception of a few items. The mill building and parts of the equipment are designed in such a way that the necessary changes increased up to 500 ton daily capacity can readily be made."

The annual meeting of the shareholders is called for February 19, at Montreal.

Miscellaneous Steel Plants Have Output of $17,152,000

Production in the miscellaneous iron and steel products industry was well maintained during 1929, according to a report just issued by the Dominion Bureau of Statistics. The output value for that year was $17,152,169, this being but 2.4 per cent below the record established in the previous year.

Plants listed in this industry are engaged principally in the fabrication of structural steel shapes, architectural and ornamental iron work, beds and springs and similar commodities of iron or steel which cannot be readily allotted to any other specific groups.

Of the 61 firms listed in this industry in 1929, 35 were in Ontario, 21 in Quebec, 3 in British Columbia and 2 in Manitoba. A monthly average of 3,664 persons was employed.

Wheat Exported from Canada in the week ended January 23 amounted to 3,750,140 bus. in addition to which 2,226,000 bus. of Canadian wheat was shipped from United States ports bringing the total export movement for the week to 5,976,140 bus.

Nickel Rate is 60 Cents, As Forecast

In the January 15 issue of The Financial Post it was predicted that with the next distribution, dividends on common stock of International Nickel would be reduced to 60 cents per share annually, equivalent to 15 cents quarterly. On February 2, the directors met and declared a quarterly dividend at this rate. The dividend is payable on March 31, to shareholders of record on March 2.

In commenting on the present situation, President Stanley said:

"This quarterly dividend of 15 cents compares with the quarterly dividend of 25 cents per share which has been paid since September 30, 1929. Business for January was encouraging and there are distinct signs of gradual improvement during the first half of the year. The company is not committed for heavy capital expenditure in 1931 as was the case in 1929 and 1930. The board believes that it is prudent for the time being to put the common stock dividend on a basis that will conserve a strong cash surplus position in accordance with the traditional policy of the company. Naturally further dividend declarations will be covered by the then existing conditions."

RICHLAND GOLD OFFERING SHARES IN N.Y. STATE

Shareholders' Principal Back in Twenty Years, is Guarantee

Two and one-half years of unsuccessful effort on the part of W. T. Solmes, president of Richland Gold Mines, to finance his company in Canada has prompted his launching a fresh campaign, this time in the State of New York.

The company was incorporated in November, 1928, with a Dominion charter and a capitalization of 4,000,000 shares of no par value, by Mr. Solmes, and some residents of Smiths Falls, Ont. The original holdings of the company have mostly disappeared from the company's present list of properties. The most important held now is claimed to be 1,000 acres in Black township, just west of Bourke, Ont., in an area that was reported on by the Ontario mines department ten years ago.

The feature of the company is that the purchasers of the company's stock are guaranteed return of their principal after a period of 20 years.

A United States company, specializing in this class of financing, has undertaken to guarantee the investors the return of their money at the termination of 20 years, which means that the greater part of the subscription for the shares is used to purchase the bond. This money will accumulate when compounded for 20 years to an amount, equivalent to the original subscription price. The investor is out 20 years' interest.

After commissions and the cost of bonding are paid, there remains but little for development.

Bonding of shareholders is not new.

Urge Peninsular Transfer on Wainwell Holders

Brokers interested in Peninsular Petroleums are advising Wainwell Oil shareholders to transfer their stock on the ten for one basis agreed upon, and obtain their Peninsular certificates.

The transfer of Wainwell stock into Peninsular has not progressed as fast as Peninsular has desired, this is explained owing to there being a market for Wainwell, although the value is low, while there is no market for Peninsular since the stock is pooled.

To speed up the transfer of Wainwell, shareholders are promised profits aggregating $1,095,000 annually through the sale of gas, to the Tri-Cities Utility Corp. which proposes to build a pipe line to Regina and other Saskatchewan points by November. To date financing is not completed.

MINING CORP. REPORT SHOWS COBALT HIGHER

Production of Silver Less, in Line With Market For That Metal

Report of Mining Corp. of Canada, for the three months ended Dec. 31, 1930, shows a reduction in the silver production but an increase in the amount of cobalt produced.

Production during the period was 169,253 fine ounces of silver and 174,165 pounds of cobalt, as compared with 297,679 fine ounces of silver and 129,524 pounds of cobalt in the corresponding period of the previous year.

Cobalt Operations Limited

Of these amounts, production from the Cobalt properties was 62,184 fine ounces of silver and 35,044 pounds of cobalt. Operations at the Cobalt properties were limited to the mining and handsorting of ore from the "X" vein in the Townsite Mine, and the Cobalt Lake fault vein on the Cobalt Lake and McKinley-Darragh Mines. By selective mining in narrow stopes a small profit was made.

Production for the quarter at the Frontier Mine amounted to 107,069 fine ounces of silver and 139,121 pounds of cobalt. More ore has been developed at this property so that production from this mine at the present rate is fairly well assured till well into the second quarter of 1931.

Details of the report follow:

Bannockburn Development Organizes

Up to January 15, 1931, four short diamond drill holes were completed on the Ashley vein. These holes covered a total length of 175 ft. along the strike of the vein as exposed on the surface, and were intended to prove the continuity of the vein as well as values at a depth of approximately 85 feet. The results have been satisfactory, and over the length indicated, have proven the existence of profitable commercial ore over a good stoping width. Drilling will continue to prove, if possible, further extensions in length of vein, and at greater depth. A complete mining plant will be installed immediately and shaft sinking should begin in March.

A subsidiary is being organized to hold and develop the Bannockburn property.

Shining Tree Stakings

Nine claims were staked on behalf of the company in Tyrrell Township, south of and adjoining a group of claims on which a discovery of gold was made by the McIntyre-Porcupine Mines.

Seventeen claims were staked on behalf of the company and the Prospectors Airways, in Pascalls Township, east and north of a group on which a gold quartz vein was discovered.

The exploration of these two groups of claims will depend on the results of the work at the discoveries.

Base Metal Corporation

Following the discontinuance of milling operations as announced in the last quarterly report, underground work for the final quarter of the year was largely confined to advancing the two main production drifts. These drifts, located below the East and West Monarch ore bodies, will tap those bodies in a series of raises and will permit of very low cost mining by the use of slusher hoists. Drifts and raises will be completed during the coming quarter, following which consideration will be given to beginning production again should metal prices for lead and zinc justify.

Quemont Mining Corp.

In November, 1930, directors of the Quemont Mining Corp., in which the Mining Corp. of Canada has over 76 per cent interest, purchased a seven and one-half interest in the Bannockburn claims staked by Ashley and Garvey for the corporation, for $25,000 cash.

A steam mining plant is en route to the property and it is expected that as soon as the plant is set up 60 men will be employed.

List More Smelters' Stock

From Our Own Correspondent

MONTREAL.—There will be listed on the Montreal Stock Exchange on official notice of issuance, 600 additional shares of capital stock of the par value of $25 each of the Consolidated Mining and Smelting Co. of Canada.

East Crest Oil Earns $146,042 in Three Months

East Grest Oil Co., operating in the Turner Valley, reports earnings for the three months ended Dec. 31, 1930, as $144,042. Earnings for January are reported at $46,000.

The report does not state whether the earnings are net after all charges and depreciation.

The total production of the company, reported as shipped to the Regal Refinery at Calgary in 1930, was 42,688 barrels of crude naphtha.

East Crest has two producing wells. No. 1 which came in last September, has a flow of about 60 barrels daily, and No. 3, which came in late the same month, with one of the largest flows in the valley. This well is now producing approximately 500 barrels daily.

Earnings of $46,000 per month are equivalent to approximately 48 cents annually on the 1,150,000 shares outstanding.

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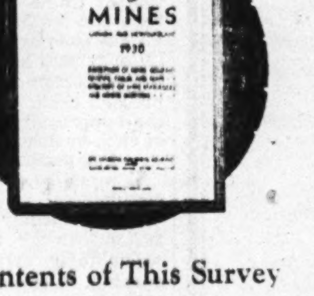
The Facts About Canadian Gold Mines
Profits Increasing—Attractive to Investors
Telling the Story of these Mines



Contents of This Survey
General review of 1929 mineral production with statistical tables of growth of the industry in Canada.
General review of the mineral developments in each province in Canada.
Reviews of each company licensed to operate or prospect in Canada giving the properties, capital structure, directors, management, ore reserves, development, balance sheet and record of dividend payments (if these latter are available).
Reviews of outside companies that have properties in Canada, have been financed in Canada or are traded on Canadian Exchanges.
Complete review of mineral operations and developments in Newfoundland.
List of engineers, mine managers and geologists in Canada.
New Mining Companies incorporated in 1930.
List of Dead or Dormant mining Companies.
High and Low Prices of Mining Stocks.

The eyes of the world are now turned to Canada as a gold producer. There is a world gold shortage and only in Canada is gold production increasing. While commodity prices are dropping, the price of gold, relatively, is going up, and so are the profits of Canadian gold mines. This is the broad situation in a nutshell.
Leading Canadian gold stocks are being recommended by certain conservative investment advisers. Certainly these stocks hold distinctly interesting possibilities for the careful investor.
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Our Exports to China Depend on Intelligence Of Merchandising Used

Ex-Editor and Official of China Shows Canada's Opportunity in Rising Empire

By J. M. BARNARD,

Formerly Assistant Editor, "North China Daily News," Shanghai, Foreign Editor "Japan Times & Mail," Tokyo, and lately in the service of the Chinese Government

In a recent speech the Prime Minister expressed the belief that "the Orient is Canada's logical customer" and his determination that the possibilities of Canadian export trade in Oriental markets shall not remain unexplored. His words have been swiftly followed by deeds. The Canadian Minister to Japan has gone to China to discuss with the Chinese government the purchase of vast quantities of Canadian wheat, while the initiation of a scheme to enable China, crippled by civil war and the depreciation of her currency, to finance her purchases, has been ascribed to the Prime Minister and the Minister of Trade and Commerce.

In all that has been said and written on this subject during the past few weeks wheat has been mentioned to the exclusion of almost all other Canadian products, and it may well be that for the moment this concentration is desirable. But an observer of conditions in China and Japan during the past twenty years may perhaps be forgiven for suggesting that the possibilities of the export trade with the Orient have in the past not been fully understood in this country and that there is some danger that Canadians interested in products other than wheat may not even now be alive to the opportunities that are before them.

Missing Some Opportunities

The figures for the year 1929 (which appear in another column) of the export trade from Canada to China and Japan are worthy of close study, as much for the items which do not appear as for those which are included. They confirm absolutely the impression which any resident in the Orient during recent years must surely have formed, namely that Canada has not been getting anything like the share of the trade in "foreign goods" which her natural resources, her geographical situation and the abilities of her people should ensure for her. The full figures for 1930 are not yet available, but it is difficult to believe, in view of conditions in the three countries concerned during that year, that they will present a more favorable picture. To the average Chinese merchant the Canadian and his goods are just vaguely "British." This may not invariably be a disadvantage, but in the long run it can hardly be in the interest of Canada. In Japan there is rather a better understanding, but even there the position is not all what it should be.

Two Types of Market

It has to be remembered that the two markets are entirely different and distinct. Japan is a ready-made market for "foreign style" goods of almost all kinds, but the Japanese are themselves producing the majority of such articles, of a quality and at a price which satisfies them. China, with its enormous population, 350 millions at a conservative estimate, is potentially a far larger market, but that market, to a great extent, has yet to be made.

It is in China that a great opportunity is presenting itself today, to Canada as to the rest of the world. Practically without an interval since 1911, when the first shots of the revolution signalled the doom of the Chinese Empire and the coming of the Republic, destruction has held sway. Civil war, famine, and now so-called Communism — in most cases the outbursts of starving men who have lost everything at the hands of hordes of soldiery—have resulted in a destruction of life and property which cannot continue indefinitely. Now there is a lull and the armies have withdrawn from contact.

Is Peace Now in Sight?

Time will show whether, as usual, fighting is to be resumed in the spring. Those who know China best will be the last to believe in the peaceful preparations of the War Lords or in the permanence of any apparent settlement which may be reached between them. The suggested conference may help to clear the air, but too much reliance should not be placed upon its outcome. Force of circumstances is today the greatest influence in favor of peace in China. Destruction and exhaustion have reached a stage where they must be succeeded either by chaos or by a period of construction and replenishment. Only dire necessity would force the present Chinese government to extend a welcome to foreign goods or foreign money, save for the purposes of war. The discussions now proceeding in Ottawa, in London and in Washington support the belief that the moment is at hand when China will have to choose between chaos and constructive activity, and that, at long last, pressure of public opinion will compel the government to accept foreign aid in the gradual establishment of peace and prosperity.

Autos Keep Goods Moving

Nothing will stop the Chinese merchant from doing business save sheer physical inability to get the goods to the customer. War and brigandage, closing the trade routes between the ports and the interior, have paralyzed import and export trade alike. Yet, curiously enough, all through these troubled years the process of preparation for a vast development of foreign trade has been going on. At a time when railway development has been at a standstill, when even existing railways have been almost inoperative save for military purposes, the automobile has been spreading, farther and farther along the primitive tracks of the interior, a curiosity regarding foreign goods which a period of comparative peace would speedily transform into active demand.

The Chinese market for foreign goods may be roughly divided, at the present time, into three great zones. There is the market of the ports and great cities, such as Shanghai, Tientsin, Canton and Hankow, where, in addition to a steady and increasing demand for foreign foodstuffs, building materials, electrical equipment and everything required for municipal development, there is a market for luxury goods, among wealthy Chinese and foreigners accustomed to a high standard of living, the extent of which seems to be very imperfectly understood by Canadian manufacturers.

Vast Developed Interior

Next comes an enormous area in the mid-interior, where some foreign goods are known and appreciated and others would be welcomed were they ever to be seen. This is the area in which the development of foreign trade might have been so great in the past ten years, if only life and property had been reasonably secure. It is this area which would benefit most from cessation of hostilities and would most rapidly regain the purchasing power essential for the development of foreign trade.

Behind this area again are the vast undeveloped spaces of the far interior, scarcely as yet penetrated by the automobile, where poverty and ignorance must for many years to come limit the possibilities of the trade in foreign goods. By the time these zones are merged and goods of "foreign fashion" are as familiar to the Kansu villager as they are to the crowds in Shanghai, China may herself be supplying practically the whole of her requirements. In the meantime, if one divides the population of China by ten and estimates that nine-tenths of the population are for the time being out of the market, there remain some 35 million potential customers. Few nations, at the present time, can afford to neglect the opportunity of securing a share of such business.

Competition for Our Wheat

It would be easy to exaggerate the possibilities in regard to wheat. Famine, largely due to senseless destruction by soldier-bandits, has undoubtedly created an immediate opening, at any rate in the North, but with the restoration of peace energetic and skilful action will be necessary to maintain the market against increasing competition of the local product.

Market in Civic Projects

In the case of lumber the rapid deforestation of large areas, which appears to cause no concern whatever to the Chinese themselves, offers some assurance of a steadily increasing market at a time when reconstruction on a large scale is becoming inevitable. The development of the Chinese railway system must necessarily be slow, but the condition of existing lines is deplorable, and over long stretches wholesale replacement of track and equipment is unavoidable if the lines are once again to function normally. In regard to furniture of all kinds there is a large luxury trade to be built up, as soon as comparative freedom from military exactions restores to the more progressive Chinese some measure of personal and financial security. In the field of electrical equipment, municipal developments already planned offer great and increasing opportunities. Electric lighting is becoming a passion with the Chinese, and in very few places has to face the existing competition of gas.

Chinese Buy Cooked Foods

The market for canned goods and packed foods may be small at present, except in the main ports, and even there Canadian goods are chiefly conspicuous by their absence. But the quantity of cooked food sold in the streets and the reluctance of the Chinese housewife to concern herself with the proper duties of her station suggest that there is a market capable of eventual development, if the somewhat peculiar needs of the customer are studied and met. While on the subject of the household, it may be remarked that the design of the newer houses and apartments in the chief ports is surprisingly up-to-date, and that the increasing cost and unruliness of Chinese domestic help is tending to create a market for labor-saving appliances unknown in China even a year or two ago.

Without going further into detail, it may be said that there are few Canadian products in regard to which the possibilities of the export trade to China can be wisely neglected in the immediate future. Great as these possibilities are, they are only possibilities, and they are open to the rest of the world as they are to Canada. Canada has certain advantages in regard to them, but in other respects there is much leeway to be made up and keen competition to be faced.

Must Carry on Advertising

The first and immediate need is publicity. Canada and her resources are not known as they should be. Her goods are not seen and recognized by the Chinese man in the street. Occasional visits of trade delegations are all very well in their way, but are liable to afford rather too much opportunity for Chinese politicians to ventilate national grievances and too little for business men to get down to business. The real Chinese merchant is usually ready and willing to do business with the foreigner, but prefers to do it with the least possible interference from a government which is mainly interested in taxing the profits of his enterprise. He also much prefers to do business with a man who knows him and his ways and is prepared to conduct negotiations at the Chinese pace.

Must Stay on Job

Hustling salesmen, in a hurry to conclude one deal and get on to the next, have lost a lot of good business in China. In China, at any rate, honesty is by far the best policy, and superficial suavity of manner is no substitute for finer qualities, the absence of which in a foreigner is speedily detected by an educated Chinese. Important as it is that a representative on the spot should know his China, it is at least as important that nothing he may say or do, in business hours or out of them, should diminish the prestige of his firm or of his country. It is not necessary that the business man should be of the missionary type or should emulate the missionary in his method of approach; his teaching should be strictly confined to the best use of the products he has to offer. Foreign goods frequently need a good deal of explanation and demonstration in China, and much business has undoubtedly been lost by neglect to provide adequate information, both verbal and in correct printed Chinese. Most important of all is the personal dignity which, to a Chinese, is the most precious of possessions. The foreigner who causes his Chinese customer to "lose face," or who himself loses it, has banged and barred the door against the possibility of doing business.

Our Chance in China

That there is big business to be done in China, in the near future, is the view of those who, having watched the course of events in that country during recent years, believe that the turning of the tide, from growing chaos to progressive reconstruction, cannot and must not be further delayed. Canada's share in that business will depend very largely upon the alacrity and intelligence with which she accepts the present opportunity. Her products must be adequately presented by men who know the country or at least are willing to learn. In the process of doing business the newcomer will undoubtedly discard many ideas regarding the Chinese acquired in Western countries, but may well acquire a new respect for China and her people, whose greatness cannot permanently be obscured by the troubles of recent years.

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In educational matters Moose Jaw has attained a high place among Canadian cities. Moose Jaw College has a record that rivals that of any other similar institution in Canada and attracts students from many provinces and states.

Within its borders Moose Jaw supports ten modern public schools, two collegiate institutes, a Government Normal school for teachers, three residential colleges (two for boys and one for girls), two business colleges and a magnificent new technical school erected at a cost of $460,000.

The city has thus all the advantages which excellent educational facilities can confer upon a community. This fact has particular interest to executives of firms considering the best location for a branch or factory in Western Canada.

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Log Sinkage Involves Heavy Loss to Operators

SEEK TO ELIMINATE

Problem is Subject of Investigation by Forest Products Laboratories

The log shrinkage problem is attracting an increasing amount of attention from the pulp and paper industry. It has been estimated that in pulpwood alone, 200,000 cords, representing 5 per cent of the total cut is lost annually through sinkage. Altogether a minimum value of $3,000,000 is placed on the annual loss of logs through sinkage in Canada.

The different phases of log sinkage have been studied by certain member companies of the Canadian Pulp & Paper Association, by McGill University and by the Forest Products Laboratories of Canada. The work at the laboratories was related to both recording of field data and the more purely scientific study of the relative distribution of water and gas in a log.

Makes Comprehensive Survey

The question has been studied by K. G. Fensom, of the Federal Forest Products Laboratories, and he dealt with the problem in a comprehensive manner before the annual meeting of the Canadian Society of Forest Engineers recently.

He pointed out that laboratory efforts were concentrated upon the establishment of the relationship between seasoning and consequent floatability of logs. Of all factors known and supposed to affect buoyancy of logs, this factor of seasoning was considered to be the broadest in scope and the most susceptible to possible future control.

Thus, it was the specific object of the present work to indicate firstly the direction of the effect of seasoning, whether beneficial or detrimental to the floatability; secondly, determination of the kind of seasoning, if any, which would result in the best flotation of a certain kind of log; and thirdly, the effects of seasoning upon the flotation of unsound timber, small top logs and logs which have been recovered after sinking.

Mr. Fensom went on to point out that logs of three species, white birch, balsam and spruce were seasoned in different ways and placed in the water for observation and measurement.

These logs had mostly been floating in a specially constructed tank for more than a year, and concerning the effects of seasoning on the floatability of logs, it was now possible to make the following observations:

(1) That seasoning improves both the initial and subsequent buoyancy of logs.

(2) That severe seasoning checks, though increasing the area subject to water penetration, are non-injurious to floatability.

(3) That the buoyancy-maintaining ability of the log cannot be measured in terms of rate of water absorption.

(4) That seasoning improves the floatability of unsound logs very appreciably, although such improvement is not quite as pronounced as in the case of similar sound logs.

(5) That slight seasoning of birch is not only effective, but just as effective as more severe seasoning in increasing the buoyancy. In order to secure good floatability of birch, it is therefore unnecessary to resort to prolonged seasoning treatments.

(6) That slight seasoning is not effective in sufficiently increasing the buoyancy of either balsam or spruce. More severe seasoning, however, substantially increases the floatability of these species.

(7) That the benefits derived from various seasoning treatments vary directly according to the natural floatability of the log. Thus, since spruce is naturally superior to balsam in buoyancy, seasoned logs of the former will therefore show better floatability than similarly seasoned logs of the latter.

(8) That small top logs and logs recovered after sinkage can be seasoned and subsequently floated with considerable success. Seasoning is more effective in the case of top logs when these logs have been barked.

One solution of the problem of sinkage, it was declared, could be found in the proper adjustment of the time of cutting and the length of the seasoning. Pulpwood logs, for instance, could be left longer in the field without resulting in serious effects than sawn logs. Thus there are certain lengths of time beyond which it is dangerous to season either pulpwood or saw logs, but it is evident that for the former a much longer seasoning period is permissible.

Seasoning treatments, if of too protracted a length, will improve the floatability but decrease the value of the logs, so it is necessary to establish these danger points by practical research in the field.

PIG IRON PRODUCTION 31% LOWER THAN '29

Production of pig iron in Canada during 1930 at 747,448 long tons was 30.8 per cent under the record for the industry, established at 1,080,160 tons in 1929, according to figures issued by the Dominion Bureau of Statistics.

On only six occasions has the Canadian output of pig iron exceeded the million-ton mark, and as two of these were furnished by years 1928 and 1929 a moderate readjustment was to be expected in 1930. This corrective period was accelerated by the curtailment of purchasing power, which affected all parts of Canada in 1930.

Consumption of pig iron in Canada during 1930, as determined by adding the production of 747,448 tons to the imports of 13,643 tons and deducting the exports of 593 tons, amounted to 760,498 tons.

Monthly Production (tons)

	Steel		Pig Iron	
	1929	1930	1929	1930
Jan. ...	116,000	115,000	88,000	87,000
Feb. ...	117,000	107,000	94,000	71,000
Mar. ...	137,000	117,000	88,000	75,000
Apr. ...	122,000	103,000	79,000	72,000
May ...	126,000	99,000	81,000	81,000
June ...	120,000	95,000	90,000	66,000
July ...	130,000	68,000	100,000	65,000
Aug. ...	120,000	58,000	113,000	57,000
Sept. ..	99,000	56,000	99,000	49,000
Oct. ...	116,000	65,000	91,000	40,000
Nov. ...	94,000	72,000	87,000	46,000
Dec. ...	82,000	56,000	83,000	38,000
Total ..	1,379,000	1,011,000	1,091,000	747,448
Monthly				

Turner Valley Drilling Report

Wells Drilled by Imperial Oil

PROGRESS REPORT—Week Ending January 31, 1931

Name of Well	No.	Type	Depth last report feet	Present depth feet	Feet drilled	Remarks
Royalite	25	R.	4598	4678	80	Drilling in lime (Top lime 4,278 ft.; 400 ft. in lime).
Mayland	4	S.	2290	2290	...	Preparing to turn over to rotary.
Mayland	6	R.	3166	3401	235	Drilling in Kootenay.
Lowery	2	R.	5244	5383	139	Drilling in Fernie.
C.D. & P.	1	R.	3703	3816	113	Drilling in Fernie.
S. W. Pete.	2	R.	2723	2915	192	Drilling in lower Benton.
S. Lowery	1	R.	4584	4698	114	Drilling in lime (Top lime 4,540 ft.)
S. Lowery	2	S.	1156	1292	136	16 inch casing cemented on bottom, standing.
S. Lowery	3	R.	....	35	35	Spudding.
Merland	1	R.	....	....	...	Rigging up rotary 60% completed.
Lethbridge	1	S.	1445	1512	67	16 inch casing lowered to 1,396 ft., clearing out cavings.

NOTE: R—Rotary. S—Standard. DD—Diamond Drill.

HARLAND

SECTIONALIZED ELECTRIC DRIVES for PAPER MACHINES

Confidence in the performance and reliability of **Harland Drives** is evidenced by repeat orders received from **N. B. International Paper Co.** and **Powell River Co.** for their new machines recently put into operation.

A. C. and D. C. MOTORS and GENERATORS

Harland Motors were exclusively selected by **James McLaren Co.** for their Buckingham Mill. **The Restigouche Co.** for their Campbellton Mill.

We also supply to the same high standard

STEAM TURBINES TURBO GENERATORS
OIL ENGINES CENTRIFUGAL PUMPS
REDUCTION GEARS

THE HARLAND ENGINEERING CO. of Canada
LIMITED
1233 MOUNTAIN STREET, MONTREAL

JEFFREY MANUFACTURING CO., Limited
Head Office and Works: MONTREAL *Branch Office:* TORONTO

CHAINS and SPROCKETS

Jeffrey makes chains, sprockets and attachments for conveying, elevating and power transmission in pulp and paper mills. The types most commonly used are shown below, from left to right, the Reliance, Flat and Round, Vulcan, Detachable, Malleable Roller, and the Hercules Chain.

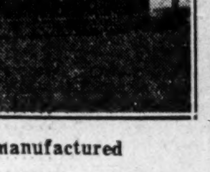
Head Office and Works at Montreal where Jeffrey Products are manufactured for the Canadian Trade.

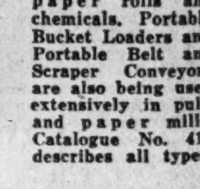
MATERIAL HANDLING EQUIPMENT

Jeffrey Conveyors (Apron, Belt, Cable, Chain, Spiral, and other types) and Elevators (Bucket, Tray, and Arm) handle logs, chips, pulp laps, baled rags, paper rolls and chemicals. Portable Bucket Loaders and Portable Belt and Scraper Conveyors are also being used extensively in pulp and paper mills. Catalogue No. 416 describes all types.

Jeffrey Chains

Belt Conveyor handling chips


Chain Conveyor handling logs


Cable Conveyor handling pulp wood

PULP AND PAPER INDUSTRY BOLDLY FACES PROBLEMS IN 1931

Industry's Problems Subject to Solution By Close Teamwork

Harold Crabtree Presents Need of Co-operation to Members

DECLINE HITS TRADE

All Branches of Pulp and Paper Industry Record Set Back During 1930

Reports submitted at the annual meeting of the Canadian Pulp and Paper Association were frank in recognizing the various problems with which the industry is now confronted. In his annual address to the members, Harold Crabtree, president of the Association, dwelt upon the different unfavorable developments during the year, which were mainly the result of the business depression in this and other countries. There was no tendency to minimize results, and in his concluding remarks, he said: "A long pull, a strong pull and a pull all together is what we need today, and in the measure of team-work and co-operation that is put forth shall we make our problems easier of solution." His complete address follows:

Before dealing with matters pertaining to our own industry, may I refer to the conditions which prevailed generally in the past year. The year 1930 will go down in history as a year of world-wide depression, of falling markets, decreased consumption and disorganized business, and every branch of industry was affected to a greater or lesser degree. Canada suffered in common with all other countries and when the final statistics for the year are compiled it will be seen that trade in Canada during that year showed a great decline from the previous year, one of the principal contributing factors being the wheat situation, which, due to loss of markets and a rapid and heavy decline in prices, had a serious effect on every branch of industry in the Dominion.

Estimates show a shrinkage in our total external trade from the previous year of $593,000,000, there having been a drop in exports of $303,000,000 and in imports of $290,000,000, and an estimated unfavorable trade balance for the year amounting to $103,000,000. Large declines in our export trade were recorded in agricultural products, wood, paper, iron and its products, and non-ferrous metals, showing how seriously the world markets were affected.

Domestic Trade Suffered

Domestic trade and industry also suffered as a result of depressed conditions and the record of construction, transportation, carloadings and other indices of business all showed the effects of the unfavorable situation, which was attended by reduced operations, by unemployment, and by the initiation of measures of economy, which brought about a corresponding reduction in the purchasing power of the population. Bank statements for the past year, while reflecting these conditions, showed a fundamentally sound position, not only of the banks themselves, but of Canadian affairs generally, a position most reassuring to the people of Canada. It is possible that pessimism has been exaggerated, as was the earlier optimism, but the people of this country have a deep-rooted faith in its future, which assures them of an early return to more prosperous times.

The pulp and paper industry was adversely affected, not only by the general depression, but also by conditions peculiar to itself. This was the case in the newsprint branch of the industry. The Canadian mills, by reason of the falling off in the consumption of newsprint on the one hand, and an increase in the productive capacity on the other, were only able to operate at 69 per cent of capacity in 1930, as against 85 per cent in 1929. This curtailment of operations was attended by many hardships due to the closing down of several plants made necessary for the sake of efficient operation. The volume of consumption, however, was but 7 per cent below that of 1929 and only slightly below that of 1928. Some satisfaction may be found in the fact that this is the first year in many that no new tonnage is reported as coming on the market and it can only, therefore, be a matter of time before consumption catches up with production.

Fine Paper Trade

The companies engaged in the manufacture of book and writing papers also suffered, in common with the other branches of the industry, from the depression and consequent lessened demand. The mills comprising this group are all well equipped to manufacture a wide range of papers to take care of the Canadian market and the policy of further extending their lines so as to render even greater service to the Canadian consumer will be continued.

The wrapping paper mills were not only affected by the depression in business, but also suffered from foreign pressure both in regard to kraft pulp and paper. These conditions are referred to in the reports submitted by the sections concerned. Some relief was afforded by the action of the government in increasing the tariff on wrapping paper, but the situation is still unsatisfactory and every effort is being made to bring about a better position in this branch of the industry.

The mills making tissue and toilet papers enjoyed a more fortunate position during the past year than perhaps any other branch of the industry.

Board Mills Suffer

The paperboard mills report an unsatisfactory year, due to a variety of causes. The situation among the board mills in the United States was a source of continual difficulty to the Canadian mills. There is a very considerable excess capacity in the United States and prices ruling throughout the year were not profitable. These conditions were reflected in Canada and aggravated the situ-

(Continued on page 31)

Elected Secretary

A. E. CADMAN, formerly assistant secretary, who has been elected to succeed the late Edward Beck as secretary of the Canadian Pulp and Paper Association.

PULP AND PAPER EXPORT DECLINED IN 1930 PERIOD

But Were Higher Than Any Year Previous to 1929

With the exception of pulpwood, all other exports of the pulp and paper industry in 1930 showed a decrease in volume as compared with 1929. Pulpwood exports showed a nominal gain both in volume and value but the decline in all divisions of pulp and paper was more marked. Despite this, exports were higher than in any year previous to 1929.

For 1930 exports of pulp and paper were valued at $177,500,222 as compared with $198,287,106, a drop of $20,786,884, or 10 per cent. The largest factor in the industry is, of course, the manufacture of newsprint and exports of this product declined steadily last year.

During 1930, 2,331,011 tons of newsprint valued at $133,280,932 were exported from Canada. This compared with 2,510,633 tons, valued at $148,656,611 in 1929. The decline though appreciable, is by no means exceptional in view of the importance of industry and the general hesitancy in business during the past year.

The demand for newsprint is governed primarily by the volume of advertising linage in newspapers. When business is depressed, the situation is naturally reflected in a cutting down in advertising space, with a subsequent effect on the demand for newsprint.

None of the other divisions of the industry, with the exception of groundwood pulp, passed unscathed. Wrapping paper exports amounted to 13,181 tons with a valuation of $1,381,462. In 1929 these figures stood at 14,903 tons and $1,628,261 respectively. Book paper exports were also off at 39,740 cwt., valued at $365,901, as compared with 74,052 tons valued at $632,660 in 1929.

Writing paper exports fell from 4,170 tons in 1929 to 2,382 tons in 1930 and the value was $18,800 less at $20,148. All other paper products exported had a value of $3,391,900 as compared with $3,753,585 in 1929.

Though exports of groundwood pulp were about 1,000 tons lower than in 1929 the value at $5,967,172 was higher as opposed to $5,906,638, a reflection of slightly better prices obtained during the year. Bleached sulphite held up fairly well and was exported to the extent of 249,099 tons in 1930 against 253,810 tons in the previous year though values dropped from $19,246,692 to $17,954,714.

Exports of unbleached sulphite, the next largest factor, were 187,423 in 1930, and were valued at $9,201,250. This compared with 251,739 tons exported in 1929 valued at $9,923,016. Sulphate pulp exports dropped from 36,408 tons in 1929 to 28,799 tons in 1930, and values declined from $7,856,486 to $5,151,653.

Pulpwood exports, however, increased in 1930, totalling 1,330,466 cords, as compared with 1,294,995 cords in the preceding year and values increased from $13,314,738 to $13,611,517.

Mill Stocks Show Improvement

Mill stocks of newsprint at Canadian and United States mills at the end of December, 1930, amounted to 3.9 days of average production and 6.7 days on December 31, 1929.

LOWER COSTS DOMINATE OPERATIONS

Cruising in Relation to Logging Studied More Closely

NEW DEVELOPMENTS

Keener Competition Causes More Attention to Cutting Costs on Logging

By W. KISHBAUGH,
Abitibi Power and Paper Co.

The original purpose of a timber cruise was simply to obtain an inventory of the timber and information on its approximate location. As a distant trade, timber cruising has existed on this continent for a number of generations, but it is only in recent years, since the advent of trained foresters, that methods have undergone changes and systematic efforts have been expended in obtaining information of value for planning and regulating a woods operation. These changes have taken place very slowly.

In the past few years the expansion in the paper industry with the resultant increased competition resulted in a necessity for more efficient operations and reduced costs. Even prior to over-expansion in the industry the methods of manufacturing were being constantly improved while there were no corresponding improvements in the woods operations of the majority of companies. Here then was a fertile field for cost reduction easily to be effected through more intensive planning. To plan more efficient operations it was necessary to secure more details of all factors affecting a logging operation through means of more intensive cruising and control work.

Detailed Knowledge Necessary

Detailed knowledge of the timber and forest conditions is indispensable in laying out logging operations. With accurate, detailed regulating data plotted on topographic and forest type maps, operations may be planned years in advance with a resultant saving in cost that will many times compensate for the cost of cruising. There are numerous advantages in knowing the area and in knowing within a few per cent what each forest type will cut. These are manifest in better planned logging chances, and therefore cheaper operation, better records, closer utilization, the co-operation of contractors who are encouraged and permitted to make a fair profit, and the development of the jobbers confidence in the ability of the management.

In the collection of field information the object of the cruise must provide for the elimination of useless data and the gathering of all useful and necessary data. Information relating to unmerchantable timber is of relatively lower and less immediate value than that applying to mature timber. Accurate cruises are not of much value where they apply to unmerchantable timber areas that are to be logged within a period of a few years.

Many Methods Used

There are a large number of methods of cruising timber. Each company operating its own timber limits probably has, through years of practice, evolved methods peculiar to its own requirements and these methods have become standardized in that operation. It is safe to assume, however, that during the past few years most of these methods have undergone and are undergoing some slight changes to meet the demands of systematized logging control and a more efficient operation.

In concession or limit logging operations only two classes of forest surveys need be considered. The first, an inventory or stock taking survey is non-intensive in character and is used to acquire information which may be used in formulating a general operating policy. The second, an appraisal cruise, is much more intensive. It may be classed as a working plan cruise for areas that are to be logged almost immediately and for which permanent records are to be kept. An appraisal cruise primarily supplies information for planning and operation but it also should supply data for regulating and management purposes. All field work must be intensive and the data collected must be analyzed for these purposes.

Efficiency is Vital

To be successful a logging operation must be efficient. To be efficient it must be economical. To be economical it must be well planned, well managed and have the co-operation of the jobbers. To secure the co-operation of the jobbers they must be permitted a fair profit. When it has been demonstrated that the basis of price fixing for various logging chances is sound, and the management has secured the confidence of

(Continued on page 32)

U.S. Uses Most Paper; 215 Pounds Pei Capita

By CHARLES W. BOYCE,
Secretary of American Pulp & Paper Assoc.
Extract from address delivered before Can. Pulp & Paper Assoc.

Today the American market requires nearly 60 per cent of the paper produced in the world. With but 6 per cent of the world population the per capita use of paper in the United States is high, in fact in 1929 it exceeded 215 lbs. This is more than double the per capita consumption in any other country of comparable economic order, it is 10 times the world per capita and 20 times the world figure with the United States excluded.

Saturation Point Exists

The reason for this statistical glorification of the American appetite is to indicate that if there is a saturation point, the United States market is nearer to it than any other national market. We cannot lightly assume that the constant rate of consumption increases of the past will be long maintained. As a matter of fact, we have justification for believing that paper use in the United States is already tending toward stabilization and that one after another of the different grade trends will flatten out.

Yet, we recognize large fields in which paper has possibilities of tremendous expansion. Are we not told that the Cellulose Age is approaching, is struggling to evolve its dynisors, its absurdities of overdevelopment? True, but much in the Cellulose Age may be made from wood pulp that will carry no wire marks of the paper machine; much will not be "paper," liberal as the term may be. At any rate, it is probable that the use of paper for cultural purposes will be a longer time catching up with capacity to produce than will its use for mechanical purposes.

But in the rest of the world things are happening. Business, as we know it, is rapidly spreading and with it goes lavish use of paper. Alphabet simplification and the accumulated desire of millions for education have created new markets in China in Turkey and in India that will be satisfied as soon as payment is forthcoming. The Soviet confidently expects to miracle a couple of million ton consumption overnight in Russia. South America, Africa and the faraway islands of the South Pacific are joining the age-long parade. Among the older countries, Germany, France and England are constantly using more and more paper, not only as a cultural medium but as a physical material. All are on the upgrade, all tend to follow the paper littered way of North America. After all, a total world consumption of a quarter of a billion tons by 1975 is not a far-fetched dream. Even at that the world per capita consumption would not exceed the current United States figure.

Paperboard

Report by K. S. MACLACHLAN,
Chairman of Section

The board industry in Canada has operated for a long time in a more or less satisfactory and profitable manner until early in 1930, when trade conditions became unsatisfactory and the new production which came on the market in 1929 made itself felt quite keenly.

Conditions have been far from normal. One reason for this has been the world-wide business depression; another, the over-production and resulting price war that has been going on in the board industry in the United States during the past few years, whereby the prices of board and paper boxes made therefrom have been cut to very low levels. There was an increased tonnage of more than 100,000 tons put on that market in 1928 over 1927 and 153,000 tons in 1929 over 1928. This represents an abnormally large increase.

Owing to the proximity of the United States to this country, Canadian producers have suffered considerably by these conditions.

Operate Part Time

At present the Canadian board plants are able to operate only at between 55 to 65 per cent of capacity. Such a schedule of operation is not profitable and therefore a continued close co-operation between the members of the board section is necessary.

While there has been a small decrease in the imports of board and paper boxes into Canada for the first eleven months of this year as compared with the corresponding period of last year, it is to be regretted that the uncertain conditions prevailing in the United States board market do not help to improve our situation and have forced many of our grades to be sold on an unprofitable basis. Every effort is being made to make certain that all importations of board and paper boxes are properly appraised and are not undervalued. The able assistance in the study of this problem by the staff of the customs branch of the Department of National Revenue has been of great help and is much appreciated. The new amendments to the Customs and Tariff Acts should be very helpful in reducing still further the volume of importations.

Look For Improvement

It is expected that the increase in the consumption of Canadian boards in preference to imported boards will continue and that business conditions throughout the country will gradually improve, so that the board industry will show better results in the coming year than it has during the past year.

Felt

Report by W. E. WALKER,
Chairman of Section

The manufacturers of building papers experienced during 1930 one of the most difficult years in the history of the industry. The demand for roofing decreased to such an extent that the felt mill production dropped to from 50 per cent to 60 per cent.

We feel that we have now gone through the period of depression and readjustment, and although we do not expect any quick recovery, we think business will gradually improve and should be fairly active by next spring. We feel, furthermore, that the industry is now on a sound basis, as the values of roofing rags are as low as they were twenty years ago, and in comparison to other materials and commodities, cannot decline further. We should now experience a rising market, with fluctuations dependent upon demand, and at today's prices, with preferential tariff within the Empire, it may be possible to obtain some export business.

Coated Paper

Report by F. C. McELROY,
Chairman of Section

During the past year this section has held five meetings, which were sufficient to deal with the business coming before the section.

The volume of the coating business for 1930 shows a decrease from the preceding year of approximately 10 per cent; this decrease is occasioned largely by the recession in general business. In view of the business conditions during the year, the coating industry has maintained a fair volume.

Looking forward into the New Year, it seems reasonable to assume that general business activity will improve. Manufactured products will require a more intense sales effort and more advertising material will be used in connection with this sales effort. This should increase the use of coated papers.

Cater to Trade

In considering the year we are commencing we should realize that there will be a fair volume of coating business to be obtained, and our efforts should be directed toward supplying the requirements of the users of coated papers to the very best of our ability. We should see that our products are the best quality which we can produce. Our manufacturing should be carefully gone into with the object of maintaining economy. Through these methods only can we maintain an increase in the use of Canadian coated papers and make the most of our Canadian market. We also should endeavor wherever possible to replace imported coated papers with Canadian products.

PAPER TRADE FINDS PLANES GREAT VALUE

Conservation is One Phase in Which Aviation Plays Part

USED IN CRUISING

Vertical Photography from Air is Considered Most Accurate Method of Mapping Country

An important factor in the pulp and paper industry has been the use of aircraft in protection and appraisal of forest resources. The vast forest areas, which demand adequate protection from fire and from which information is required as to available supplies of timber, present a problem which has largely been solved by the use of the aeroplane.

Roland D. Craig, forest resources specialist of the Department of the Interior, dealt fully with the subject before the annual meeting of the Canadian Society of Forest Engineers at the University of New Brunswick recently. At the close of the war, he stated, the general public was not prepared to use the aeroplane as a means of transportation for ordinary purposes, but foresters and surveyors who knew the limitations and difficulties of travel in remote regions were among the first to realize the advantages of flying, not only as a transportation medium, but as a medium for observing ground conditions.

First Started in 1919

He paid tribute to Ellwood Wilson of Grand'Mere who, in 1919, first demonstrated the use of aircraft for patrolling forests with two flying boats borrowed from the Department of Marine and Fisheries. In that year, the Dominion, with aircraft and equipment to the value of $5,000,000 presented to it by the Imperial Government, organized an air force. As transportation in the remote regions of Canada and protection and survey of forests were considered the most promising field for flying, bases were established in 1920 at Vancouver, Morely, Alta. and Roberval, Que., for forestry work. A small unit was also formed at Ottawa for experimental work in connection with aerial photographs, wireless and other phases of aeronautics.

Aerial forest surveys were conducted in three ways, by sketching, oblique photography and vertical photography. Sketching was necessarily inaccurate as to detail but was of great assistance as a preliminary to ground cruising.

Vertical Photography Accurate

Vertical photography was more accurate than oblique, he pointed out, but it cost about three times as much. Vertical photographs were usually taken from higher altitudes, 5,000 ft. to 13,000 ft. and the scale varied with the altitude and focal lengths of the camera. From 10,000 ft. with a focal length of eight inches, each photograph covered 3.87 sq. miles, where from 5,000 ft., only .88 sq. miles was covered.

Winter pictures were better than summer pictures for forest mapping because the conifers stood out in much greater contrast from the deciduous trees and the shadows were longer and more distinct, enabling the measurement of tree height with greater accuracy.

Measure Tree Heights

A method has been developed for measuring tree heights from the shadows in vertical photographs which is in daily use in forest mapping to distinguish young growth from the merchantable timber. Knowing the height of the tree and the number per acre it is possible for the surveyor to estimate the volume of timber per acre fairly accurately.

At the conclusion of his address, Mr. Craig declared that the time was not far distant when it would be possible to secure a better estimate of the stand from aerial photographic surveys than is now being secured from the ordinary extensive ground cruise, where the cruising lines are run 20 chains or more apart.

Newsprint Makers Face Trying Times In Immediate Future

Combined Mill Stocks Lower in December

An encouraging feature in the Canadian pulp and paper industry has been the steady decrease in mill stocks for the past few months. At the end of 1930 these stocks at American and Canadian points amounted to 3.9 days' average production while at December 31, 1929, stocks on hand were equal to 6.7 days' average production.

At the end of September, 1930, combined stocks of American and Canadian newsprint manufacturers was equal to 5.5 days' average production and since that time there has been a steady decline noted each month.

During 1930 Canadian newsprint mills operated on an average at 69 per cent of capacity as compared with 80 per cent of capacity in the previous year.

All Branches of Industry Suffer from Common Trouble

DEMAND IS LIGHT

Producers of Newsprint Are Contending With Heavy Odds in Order to Make Ends Meet

By JOHN E. LANGDON,
Eastern Editor, The Financial Post

Operations of the Canadian Pulp and Paper industry over the past twelve months reflected the change which took place in the Canadian business situation as well as in the economic welfare of those countries with which Canada carries on an export trade in pulp and paper products.

While the volume of production in 1930 was well above the average and the value of output higher than in any other year, except 1929, the industry as a whole has passed through a trying period. This is particularly so in respect to the newsprint industry, but other branches of the industry have suffered in a proportionate degree.

Dividing the industry into four major branches, namely, pulp, fine paper, paperboard, and newsprint, one finds that all departments had a common feature — operations substantially under rated capacity.

Over the past three years the pulp and paper making facilities in this country, have expanded at an almost unprecedented rate. The causes bringing about this situation are many and varied. No one reason can be given, but the fact remains that from a financial point of view the past year was far from being a successful one.

Lower Output of Pulp

The production of pulp last year was affected by the drop in demand from the United States and also to the smaller quantity used in the production of newsprint and other grades of paper.

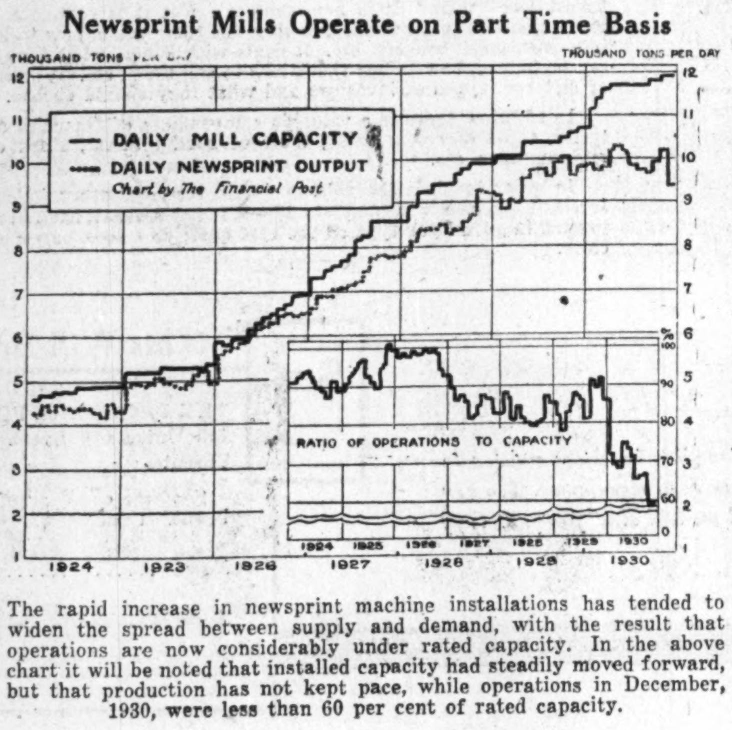
During the eleven months ended November, 1930, Canadian plants produced 1,494,052 tons of groundwood pulp. This compares with 1,837,713 tons in the corresponding period of the preceding year.

Production of sulphite pulp between January and November, 1930, amounted to 544,816 tons, as against 684,166 tons in the same months of 1929.

This record was not unexpected, as the decline in the demand for newsprint from the United States

(Continued on page 31)

Newsprint Mills Operate on Part Time Basis



The rapid increase in newsprint machine installations has tended to widen the spread between supply and demand, with the result that operations are now considerably under rated capacity. In the above chart it will be noted that installed capacity had steadily moved forward, but that production has not kept pace, while operations in December, 1930, were less than 60 per cent of rated capacity.

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Committee Reports Detail Problems Confronting Industry

Complete Sectional Reports Presented to Members at the Association's Annual Meeting

Industrial and Cellulose Chemistry

Report by HAROLD HIBBERT, to the Joint Administrative Committee

During the last year a number of scientific communications dealing with fundamental aspects of cellulose chemistry have been published from the Industrial and Cellulose Chemistry Laboratories. These may be divided into two main classes, (a) those relating to the structure and properties of lignin, and (b) those bearing on the structure and properties of cellulose.

It is well known that in the manufacture of sulphite pulp the "lignin," amounting to about 30 per cent of the weight of the wood, goes into solution during the sulphite cooking process, and in the form of waste sulphite liquor represents a total loss of this amount.

It is therefore important from two standpoints to obtain, as soon as possible, definite information as to the structure of lignin.

In the first place, a knowledge of its structure will enable us to operate the sulphite process to much greater advantage, with probably a lowering of manufacturing cost and improved yield, and secondly a clear picture of its chemical structure would in all probability point the way to early development of methods looking toward its utilization as an important new raw material in the chemical industry.

Concentrate Research Work

It has been necessary to concentrate work along two lines: (1) To carry out a series of researches which should provide us with definite and reliable information regarding the properties of lignin sulphonic acid, and (2) work relating to the structure of lignin. Lignin sulphonic acid is the product formed in the sulphite cooking process, the calcium salt (known as calcium lignin sulphonate) being soluble in water and at the present time disappearing into the river as waste sulphite liquor.

Some four to five years ago, when these investigations were commenced, the prediction was made that in all probability lignin sulphonic acid would prove to be a very strong acid comparable in strength with sulphuric and hydrochloric acids. If this were true, then much of the trouble arising from "burnt cooks" might find a satisfactory explanation in the light of the presence of such a strong acid acting under conditions favorable to decomposition of the wood pulp.

After a series of investigations extending over some four years and participated in by Messrs. Hunten, Hoover and Sankey, it has been possible, in recent publications, to prove the truth of the above theory, namely that when sulphurous acid acts upon lignin it forms lignin sulphonic acid, which is an acid comparable in strength to sulphuric and hydrochloric acids.

It is of considerable interest that, employing products presumably containing groups similar in character to those present in lignin, is a temperature of around 110-120° forms a critical zone in which unstable sulphonic acids are converted into permanently stable strong sulphonic acids. In other words, this temperature appears to mark a very fundamental type of change in the reaction occurring between lignin and sulphurous acid.

In view of the strongly acidic character of the lignin sulphonic acid it is quite evident that the actual concentration of free sulphurous acid both in the initial and final stages is of considerable importance. This has been clearly proven in other, as yet unpublished, work in which cotton and purified sulphite pulps have been subjected to the action of sulphurous acid in varying concentrations at a temperature of 100°. Under these conditions both the cotton and the sulphite pulp under go degradation; the cellulose content is lowered and the solubility in caustic soda increased.

Of further interest is the fact that in preliminary experiments already carried out definite evidence would seem to have been obtained of the greater stability of a highly purified sulphite pulp over that of a cotton cellulose. In view of the importance of these observations, the work is being carefully repeated.

Need More Funds

Much of the programme of work outlined for 1930, as indicated in the last annual report, had to be abandoned due to lack of the necessary financial support. Thus, for example, it has not been possible to make any marked progress on the structure of lignin, and on its behavior towards the action of oxidizing, reducing and nitrating agents, acids and alkalis.

The further interesting and valuable fundamental work on the action of chlorine and hypochlorous acid has had to be temporarily postponed, so that no further data relative to the solution of the problem of bleaching have been obtained, other than to develop the application of the glass electrode—a research carried out by A. C. Cuthbertson.

It can only be emphasized that a stage has now been reached in certain problems where much more rapid progress could be made provided a higher type of scientific worker could be secured.

The sum of $7,500.00, representing the grant made in support of the fundamental scientific work, is quite inadequate for the purpose. A further sum of equal amount is imperative if an active, efficient programme of investigation is to be carried out on the problems left in abeyance, namely (a) the structure and properties of lignin, and (b) the solution of the pitch problem.

It would also seem advisable to devote some attention to fundamental work on the mechanical side of mill operation, especially that relating to barking, chipping and cooking, and in connection with these to have a careful report made, and a definite plan of action outlined regarding the utilization of bark, screening and other waste along the most profitable lines.

Mechanical Pulp

Report by A. S. McNICHOLS, Chairman of Section

The buoyancy noted in the groundwood market at the beginning of 1930 was short lived; the slight flurry in price resulting from a temporarily increased demand being, to a certain extent, responsible for accelerating the return of adverse conditions.

At the sight of higher prices, pulp brokers and traders brought over a few cargoes of Scandinavian groundwood, the arrival of which coincided with visible signs of slowing up in demand, thereby further aggravating the situation.

Depressed business conditions during 1930, with resultant decrease in consumption — keen competition among converting mills, some of which were absorbed by larger units —and the unsold imports of foreign pulp overhanging the market, were among the main factors which kept Canadian exports at a low level and deprived the groundwood market of the temporary benefit that usually accrues to it from drought conditions such as were experienced in 1930.

Exports Show Decline

Exports of groundwood from Canada for the years 1925 to 1930, inclusive, are given hereunder:

To:	U.S.A. Tons	U. Kingdom Tons	Total Tons
1925	281,750	69,207	360,207
1926	258,527	109,957	382,078
1927	179,140	81,890	260,830
1928	167,258	36,414	203,672
1929	181,786	21,244	209,331
1930	193,759	15,000	208,759

European Market Affected

The trend of Canadian exports to Great Britain and the continent of Europe has been adversely affected by a state of overproduction, or, to be more explicit, by an installed grinder capacity in Scandinavia, substantially in excess of European requirements. According to current information, steps are being taken by important groups of Scandinavian groundwood producers to restrict output by 33 per cent as a safeguard against overproduction and further price decline.

While every Canadian producer has unbounded faith in the resources of the country and is firmly convinced that the present period of depression will be superseded by one of gradual recovery so soon as conditions become stabilized, how many producers are really doing their level best to contribute towards the desired goal? What does stabilizing mean to many, if not relying upon general conditions and the other fellow to produce the desired results?

Chemical Pulp

Report by F. G. ROBINSON, Chairman of Section

The ability of the Canadian chemical pulp producers to maintain during 1930 their relative position in the markets consuming their output is a meritorious achievement in a year of serious disturbance in the world pulp and paper markets. This has been done to a notable extent, but the general shrinkage of consumption has made necessary curtailment of output by the pulp mills—a policy consistently practised by Canadian producers throughout the year, especially by those making sulphite pulp. As a result, stocks on hand at the end of the year are considerably lower than during earlier months. This policy of synchronizing output with consumption is being continued, much to the benefit of the chemical pulp industry throughout the world and of paper makers, who would welcome a more stable condition than has existed during the latter half of the year 1930.

Create European Cartel

In October, the sulphite pulp manufacturers in Norway, Sweden, Finland, Germany and Czechoslovakia entered into an agreement to restrict the production of sulphite pulp. In December, the Austrian manufacturers announced their adherence to the agreement. The rate of curtailment has been fixed for two periods: from October 1, 1930, to May 31, 1931, and from June 1, 1931, to December 31, 1931, for which periods it is 15 per cent. The terms of this agreement appear to indicate that the 15 per cent curtailment will be fully effective. Prospects of its success are further enhanced by the definite trend to large scale consolidation within the European sulphite industry.

Price Was Unsatisfactory

The price situation became profoundly unsatisfactory during the year. Under stress of rapidly diminishing demand throughout the world and an increase in visible and potential supply, prices weakened steadily. A large increase in shipments of sulphite from mills in the Pacific Coast States to the eastern United States market at low prices contributed to the price decline.

Newsprint

Report by JOHN H. PRICE, Chairman of Section

The year 1930 has been one of many difficult problems for the newsprint industry. In the spring of the year several meetings were held between the manufacturers and publishers, with a view to bringing about some form of stabilization which would ensure a fair and economic price. An agreement in principle was arrived at between the newsprint manufacturers and the paper committee of the A. N. P. A., and was presented to the annual convention of the A. N. P. A. for its approval Resolutions were passed at this meeting approving the principle of stabilization, but not touching upon the suggested price policy that might be jointly pursued during the next three years.

Due to the unsettled economic conditions of the world, and particularly the United States, bringing about a decline in the consumption of newsprint, it was found impossible to proceed further along the lines of the suggested policy, and the matter had to be allowed to rest until a more propitious time. However, since that time events have occurred which have radically altered the position of the Canadian industry. New production has come on in the United States and tonnage from abroad has tended to come in in increasing quantities. Consumption has fallen during 1930 by about 6 per cent and it would appear as if any increase is not likely for some time. Production in Canada for the year amounted to 2,499,631 tons, which shows a decrease of 229,196 tons from the 1929 figures. The industry in Canada operated during the year at 69 per cent of normal capacity, which compared very unfavorably with 85 per cent operation in 1929.

During the year the following machines were brought into production; but at the present time there are no new machines in prospect.

Mersey Paper	1	125 tons daily
New Brunswick Int.	4	500 tons daily
Jas. Maclaren	2	250 tons daily
*Maine Seaboard Paper ..	2	270 tons daily
Powell River	1	125 tons daily
		1,270

*In U. S. A.

Exports of paper from Canada for the years 1929 and 1930 were as follows:

	1930 Tons	1929 Tons
Total Exports	2,331,011	2,510,634
To U. S. A.	2,006,011	2,173,087
To United Kingdom ...	134,639	173,555
To South America	90,080	50,904
To Australia	45,096	63,136
To New Zealand	21,670	23,050
To South Africa	15,964	14,451
All other	17,551	12,451

Prices Too Low

Prices of newsprint paper in every market of the world at the present time are unsatisfactory, due to extreme competition arising out of over-production. I would point out, however, that substantially there is no increased production planned in any exporting country in 1931, which, of course, will tend to relieve the pressure in foreign markets.

The problem of the newsprint industry is of great national importance to Canada and it is hoped that a lasting solution will be found for the many problems that are facing it at this time.

There is no doubt but that in this country we are better endowed with the basic elements necessary for the economic manufacture of newsprint than in any other country in the world, and it only remains to find a proper stabilizing influence to ensure an early return to reasonable prosperity.

Woodlands Section

Report by J. G. GILMOUR, Chairman of Section

The year 1930 will go down in history as a black year. Never in the memory of anyone now living has the whole world suffered at one time from such disorganization, unemployment and pessimism as has been the case in the year just closed. There are perhaps certain faint signs now appearing to indicate that the worst is probably over, and we can only hope that the business of the world will soon re-establish itself on a harmonious productive and non-speculative basis. Ours being a basic industry, must share in any return of prosperity.

Our Section has grown in membership during the year from seventy-two to eighty-one. There have been added eleven new members, and we have lost two, one by resignation on taking up other work, the other by death. W. McE. Bowden, a past chairman of our Section, and one of our best workers, has gone back to the U. S. A., and entered a new field of activity. The Section owes him its thanks for past work and wishes him every success. F. N. Johnson, of the J. R. Booth Co., a member who was very well liked and highly respected by all of us, passed away during the past summer.

We are retaining in our membership, until the Annual Meeting, certain members who are not now eligible, as they are no longer employed by member companies.

The Woodlands Section is interested solely in the producing end of our business, being composed of members charged with supplying the most essential and most expensive raw material which enters into pulp and paper production. In these hard times your Section has done everything possible (with the money available) to develop ways and means to get cheaper wood, at the same time keeping in touch with silvicultural studies directed toward the logging of our forests in the least destructive manner, thus ensuring a perpetual supply.

It has been tentatively decided to publish a textbook on logging in the Northeast, particularly pulpwood. This will take time, perhaps a couple of years, and the chapters on various portions will be made available to members whenever a study is completed.

Mr. Koroleff has spent a good deal of time in the woods studying actual logging and driving operations, truck and tractor transport, construction of roads, dams and bridges, the organization of logging operations, their administration, methods of control, and costs, with many ideas for improvement.

As chairman of the Section, I feel that Mr. Koroleff has got an excellent grasp of pulpwood logging problems, under Eastern conditions, and is conversant with all the best practices so far employed, by members and other companies, thus placing him in a position to make practical suggestions for betterment. This Section has displayed a very fine spirit of co-operation with the endeavors of the Woodlands Council and of Mr. Koroleff.

Book and Writing Paper

Report by JOHN F. TAYLOR, Chairman of the Section

Book and Writing mills have experienced a difficult year and production declined appreciably as compared with the previous year. The business depression in Canada was largely responsible for this decline, since the market for these grades of paper is mainly domestic. The world-wide nature of the depression, however, also affected our shipments to overseas countries, which are never very large, but in 1930 were smaller than usual.

Importations of Book paper declined slightly during the year, but paper from other countries still formed an appreciable proportion of the total consumption. It is probable that the per capita consumption of Book paper in Canada is little less than the per capita consumption in the United States, but the fact that such a heavy volume of the paper used in this country is imported in the form of books, magazines and printed matter of all kinds means that the Canadian domestic production only supplies about one-third of the total amount of paper used. This is a serious disadvantage to Canadian mills and imposes a heavy handicap upon domestic producers.

As in the case of Book paper, the output of Writing paper also declined from last year's figures and shipments fell off in proportion. Up till 1930 there had been a steady increase in the production of Writing paper in Canada since 1923 and it is hoped that, when the present depression has run its course, this steady increase will be resumed. In Writing papers, as in many other grades, the Canadian mills suffer the disadvantages of a restricted market and the mills are forced to produce a large variety of papers which entails short runs and a good deal of lost time in changing stock, washing up machines and other necessary labor.

Canadian mills, however, are well equipped to take care of the domestic demand for Book and Writing papers, and without further additions to existing machinery, can satisfy Canadian demands for some years to come.

The Book and Writing Section has held regular meetings throughout the year and has been active in many directions. The harmonious relations between the mills and the merchants have been maintained and efforts to cultivate the use of made-in-Canada paper have met with a good response.

We feel that the difficulties of the past year have not been without their value. On the threshold of a new year we believe that we can look forward with confidence to a return of better times. Progress will probably be slow, but it is hoped that it will be more certain on that account.

Forest Product Laboratories

Report by E. P. CAMERON, Director, Pulp and Paper Division

It will be recalled that in January, 1930, a booklet entitled "Research Programme, General Discussion of Problems," was issued by the laboratory, in which the various investigations were analyzed and fully discussed. Of the fourteen investigations so listed, seven have been active throughout the year and have constituted the main endeavor of the laboratory. In order to keep the industry fully informed as to the progress of this work and the other more minor research activities of the laboratory, the policy of issuing a review at the end of each quarter was adopted. This "Quarterly Review" has been issued on the above schedule throughout the year and a great deal of effort put into its compilation and presentation that it might serve to best possible advantage the rather particular service for which it was intended. In this way some forty-three articles have been published and an accurate story presented of the operations of the laboratory.

Naturally, such a review reports progress rather than the completed and fully substantiated findings of the investigations. Its field of utility, therefore, does not conflict with that of "Research Notes," the original medium of publication for the laboratory. Volume III of "Research Notes," containing thirteen papers and representative of the completed investigations of 1930, is being published early in 1931. A very welcome addition to this issue of "Research Notes" is the section devoted to the University, in which there are three papers from the laboratories of Industrial and Cellulose Chemistry and of Physical Cehmistry.

Tissue Paper

Report by G. CARRUTHERS, Chairman of Section

The tissue paper mills report a fair business during the past year, although, like all other branches of the industry, they have been affected by the general business situation. Since the last annual report, the Westminster Tissue Mill, which was destroyed by fire in 1929, has been rebuilt, and a new converting plant has been opened in Vancouver by one of the other Western mills. Two American concerns, specializing in crêpe paper and other paper specialties, have been established in the province of Quebec, one at Drummondville and one at Montreal.

As was noted last year, there is a considerable importation of tissue papers and waxing-stock into Canada, and this competition forces our mills to accept very low prices. Imports of these grades were larger in 1930 than in the previous year, the customs returns showing an increase of over 50 per cent for the first eleven months of the year. It is hoped that the coming year will see a reduction of these imports and a greater demand for Canadian-made paper.

Research Corp.

Report by H. CRABTREE

The report of the Canadian Pulp and Paper Research Corp. is this year mainly financial. Last year's report recorded the completion of the Research Institute and the turning back of the balance of the funds in the hands of the corporation to the association's treasury, thus completing that phase of the corporation's activities.

During the past year the interest charges on the outstanding bonds, including bank charges amounting to $18,420.91, were met and bonds to the amount of $17,500.00 have been redeemed for the sinking fund. In connection with the retirement of bonds, the corporation wishes to acknowledge the generosity of the Bathurst Power & Paper Co., Canadian Nashua Paper Co., New Haven Pulp & Board Co., Provincial Paper Limited, and the E. B. Eddy Co., these companies having offered bonds for redemption on terms advantageous to the corporation whereby a saving of $781 was effected. The value of bonds now outstanding is $297,500 and redemption is being effected at the rate of $17,500 per annum.

Advertising Linage in 1930

According to a report issued by the News Print Service Bureau newspaper advertising in 30 leading cities in 1930 was 13 per cent less than in 1929 and 10 per cent less than in 1928. Periodical advertising, national publications, in January, 1931, was 3.21 per cent less than in the same month a year ago.

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Espanola, Ont. Fort William, Ont.
Pine Falls, Manitoba
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Corporation
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130 Tons Pure Kraft Paper
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also producing
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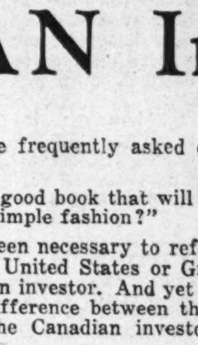
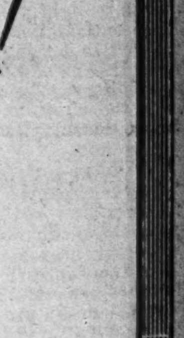
Port Alfred Pulp and Paper Corporation, Port Alfred, Que.
Wayagamack Pulp and Paper Co. Ltd., Three Rivers, Que.
Anglo-Canadian Pulp and Paper Mills Limited, Quebec, P.Q.


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You have been waiting for "How to Invest for Profit"

No question is more frequently asked of the editors of The Financial Post than this one:

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In the past it has been necessary to refer inquirers to various excellent books published in the United States or Great Britain. No book had been written for the Canadian investor. And yet such a book was needed because there is just enough difference between the problems of the American or British investor and the Canadian investor to warrant publication of a Canadian volume.

The Financial Post has prepared such a booklet. It is called "How to Invest For Profit." It is non-technical. Yet it is complete. It deals with stocks; how to select them, how to judge their value, how to buy them, dealings with stock brokers, etc. It deals with bonds, what they are, how they can be judged, how to buy them, how to sell them, etc. It discusses problems of different types of investors and what they should choose.

In addition, there is a valuable compendium of financial and investment terms, table of stock yields, table of bond interest, stock exchange commission rates, etc.

In order to place the volume within reach of every investor, large and small, it has been priced at $1. But it is not a cheap book in any way. It is printed in good clear type on the best quality of book paper and is bound in cloth.

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ROLLAND PAPER EARNINGS REVEAL MODERATE DROP

Earned $1.16 a Share on Common After All Charges

From Our Own Correspondent

MONTREAL.—Net earnings of Rolland Paper Co. in 1930 totalled $379,358 after all expenses and provisions for bad debts, federal and general taxes. This compared with $440,480 in 1929, when no provision for income tax was made.

After deduction of bond interest, depreciation, preferred dividends and proportion of organization expense written off, all of which figures were identical with 1929, there remained a sum equal to $1.16 a share on the common stock as compared with $2.18 a share in the previous year.

Show Moderate Drop

Following is a comparison of profit and loss figures for the past two years:

	1930 $	1929 $
Earnings	a379,358	b440,480
Bond interest	137,500	137,500
Balance	241,858	302,980
Depreciation	72,000	72,000
Balance	169,858	230,980
Pref. div.	90,000	90,000
Balance	79,858	140,980
Prop. org. exp., w. o.	10,000	10,000
Surp. for year	69,858	130,980
Prev. surplus	211,176	80,196
P. and L. balance	281,034	211,176

a—After op. exp., fed. and gen. taxes and prov. for bad and doubtful debts.
b—Before prov. for inc. tax.

Working Capital Higher

The balance sheet shows a satisfactory position with working capital higher at $997,373 as compared with $915,396 in 1929. Current assets totalled $1,174,055 and current liabilities were $176,682.

Cash is higher by about $23,000 at $32,173, and investment securities, at market value, have declined from $125,812 to $98,779. Accounts receivable, less reserve, total $207,141, an increase of about $15,000 and inventories are valued at $835,962 as opposed to $841,036.

Sundry Investments Gain

Sundry investments total $76,610 an increase of some $47,500. These investments include deposit of $24,690 under Quebec Workmen's Compensation Act; and stocks and bonds at cost of $35,228, including $30,500 of the company's own bonds.

In liabilities, accounts payable are $70,000 lower at $130,296. Depreciation and other reserves have been increased by $72,000 to $184,000 and surplus amounts to $281,034 as compared with $211,176. No bonds or preferred stock were redeemed during the year but one share of no par common stock was issued bringing the total outstanding to 60,001 shares.

Wrapping Paper

Report by C. V. CAESAR, Chairman of Section

The world-wide depression which affected all lines of business had its adverse effect upon the wrapping paper industry. Prices of wrappings have been reduced to very low levels and since the drastic cut in selling prices early in the year some mills have found the margin between production costs and selling prices almost eliminated. Our difficulties have been added to by the larger importations of wrapping paper during the year, the total imports for the year amounting to 11,167,070 lbs., as against 8,288,136 lbs. in 1929, an increase for the current year of close to 35 per cent.

It is hoped that some relief in this direction will be afforded to the Canadian mills by the tariff adjustments effected by the Government. These adjustments should assist in stimulating the demand for Canadian-made papers, and keep out a large volume of wrapping paper, made by low paid labor, now being imported, thus giving our mills larger volume production and a more economical basis of operations. With prices at the prevailing low levels, the immediate future does not look very encouraging and we can only hope that the much-talked-of return of prosperity is nearer than it appears to be.

Waxed Paper

Report by J. R. MARSHALL, Chairman of Section

A review of conditions of the waxed paper industry during 1930 and the outlook for the future reveals a situation which requires serious consideration.

The annual report for 1929 stated that there had been a reduction in the number of plants operating during that year, but that even with these reductions there was sufficient plant and equipment to take care of a much larger market than was provided with our present population. During 1930, however, three additional companies came into operation and this, with the general business depression throughout Canada during the year, indicates a continuance of the difficult times experienced during the past twelve months.

The capacity of Canadian mills is now far in excess of consumption demands and the immediate future holds out little hope for a marked improvement in the industry. Only infinite care and attention to every business detail will hold the individual units of our industry together. It is hoped that the growth of population in Canada will result in an increasing demand for our products and in that demand lies the main factor of our future success.

Prepare to Resume Shipments Gaspé Pulp to Three Rivers

From Our Own Correspondent

MONTREAL.—Preparations are being made for the resumption of pulp shipping between International Paper preparing plant at Gaspe Harbor, and the paper plant at Three Rivers. The shipping of the 1930 season was well up to the average if not slightly heavier in volume.

A regular service was maintained between Gaspe Harbor and Three Rivers.

Those Who Registered

Delegates from All Branches of the Industry Follow Discussions of the Association's Technical and Woodland Sections

Alexander Colin, Forest Products Labs., Montreal.
Arbo, C. G. R., Montreal.
Adlington, W. E., Forest Products Labs., Montreal.
Anderson, L. C., Ontario Paper Co., Thorold.
Ab-Yberg, W., C. I. P. Co.
Alden, C. W., Oxford Paper Co.
Black, John, Booth Ltd.
Bubie, W. L., Canada P. & P. Corp.
Bearce, Geo. D., Dalhousie.
Buchanan, C. A., Donnacona.
Bates, John S., Quebec.
Baillairge, V., director. Pulp & Paper School, Three Rivers.
Boyce, C. W., American Paper & Pulp Ass'n.
Brown, C. O., C. I. P. Co.
Brolin, T., Canada Power and Paper Corp.
Baillairge, V., Papermaking School, Three Rivers.
Ball, Dept. of Int. and Cellulose Chemistry, McGill University, Montreal.
Brown, B. C., C. I. P. Co.
Baker, R. S., Consulting Engineer, Ottawa.
Burne, E. F., C. I. P. Co., Gatineau.
Bentley, A. W., Int'l P. & P. of Nfld. Ltd.
Cameron, E. P., Forest Products Lab.
Cadman, A. E., Canadian Pulp and Paper Assoc.
Cressman, H. B., Canada P. & P. Corp.
Caron, J. E., Price Bros.
Candee, C. N., Howard Smith Paper Mills, Montreal.
Costigane, A. P., Toronto.
Calman, E. J., Ontario Paper Co., Thorold.
Campbell, W. B., Forest Products Lab.
Couture, A. Papineau, Montreal.
Campbell, W. Boyd, Forest Products Labs., Montreal.
Carruthers, Geo., Toronto.
Cooper, R. E., Abitibi P. & P. Co., Sturgeon Falls.
Carruthers, G. L., Interlake Tissue Mills, Toronto.
Carruthers, Geo., Interlake Tissue Mills, Toronto.
Campbell, Dr. J., International Paper Co., Glens Falls.
Copeland, I. H., C. I. P. Co., Three Rivers.
Dutcher, H. K.
Delahey, W. A., C. I. P. Co.
Duchastel, J. A., Quebec Forest Industries Ass'n.
Davis, M. W., Montreal.
Dodge, G. W., International Paper Co., New York.
Dawe, A. L., Canada Power & Paper Co., Montreal.
Drummond, R. M., International Paper, Gatineau.
Davis, A., C. I. P. Co., Temiskaming.
Day, J. C., E. B. Eddy Co., Hull.
Dinant, F. G., E. B. Eddy Co., Hull.
Duquid, R. M., Montreal.
Earle, T. W., St. Lawrence Paper Corp.
Emmans, Ross, Emmans Ltd., Montreal.
Edwardes, V. P., Int. Paper Co., New York.
Ellis, T. J., Int. Paper Co., Gatineau.
Fraser, F. R., C. I. P. Co.
Faure, F., Canada P. & P. Corp.
Fries, J. W., St. Lawrence Paper Corp.
Fogh, I., Canada Power & Paper Corp.
Fensom, K. G., Forest Products Lab.
Gibbs, R. D., McGill University.
Genberg, G. P., Fraser Co's. Ltd., Edmundston.
Gerdes, E., Montreal.
Graham, Geo. P., Howard Smith Paper Mills, Beauharnois.
Giffen, Fred J., C. I. P., Three Rivers.
Gilmour, J. D., Anglo-Canadian Pulp & Paper Mills.
Graham, A., Quebec Forest Industries Ass'n.
Hale, J. D., Forest Products Lab.
Handford, R. J. C., Howard Smith Paper Mills.
Hart, J. S., Forest Products Labs., Montreal.
Hill, Allan C., Canada Power & Paper, Grand Mere.
Heritage, C. C., Oxford Paper Co., Rumford.
Holland, W., Forest Products, Montreal.
Hovey, R. W., Oxford Paper Co., New York.
Hayes, R. E., Ontario Paper Co., Thorold.
Hazen, C. R., Milton Hersey Co., Montreal.
Heuser, Dr. E., C. I. P. Co., Hawkesbury.
Jayme, Dr. George, Can. Int. Paper Co., Hawkesbury.
Johnson, G. H., C. I. P. Co.
Jones, Geo. D., Forest Products Labs., Montreal.
Kane, M. R., Price Bros.
Kennedy, H., E. B. Eddy Co.
Kay, Stuart E., C. I. P. Co., New York.
Kay, Harry, Westmount.
Kellogg, R. S., Newsprint Service Bureau.
Keay, H. O., Canada Power & Paper Corp., Grand Mere.
Kellogg, R. S., New York.
Koroleff, A. M., Canadian Pulp and Paper Assoc.
Kraft, Dr. F., C. I. P. Co., Temiskaming.
Lemieux, L., Canadian Pulp and Paper Assoc.
Lyons, R W., Spruce Falls Power and Paper Co.
Lewis, Harry F., Institute of Paper Chemistry, Appleton.
Legendre, J. R. A., Forest Products Labs., Montreal.
LeBaron, K. S., C. I. P., Three Rivers.
Lane, G. J., C. I. P., Gatineau.
McCracken, M. R.
MacDiarmid, A. A., Chief Engineer, Price Bros., Quebec.
McElhanney, T. A., Forest Products Laboratories of Can.
MacNaughton, W. G., Int. Paper Co., New York.
Manuel, J. E., Dalhousie.
Mason, J. O., Canada Power & Paper Corp., Grand Mere.
Millidge, B., Howard Smith Paper Mills, Cornwall.
Macdonald, R. G., New York.
Mitchell, C. R., Forest Products Labs., Montreal.
McNaughton, W. G., C. I. P. Co.
McInnis, R. A., Canada P. & P. Corp., Quebec.
Montgomery, A. R., New Richmond.
McKeown, J., Donnacona.
Neilson, Maurice, Montreal.
Nolan, Michael P., Forest Products Labs., Montreal.
Pepler, W. A. E., C. I. P. Co.
Phipps, G. W., Spruce Falls Power and Paper Co.
Parker, D. M., Spruce Falls Power and Paper Co.
Patton, Ross, Forest Products Labs., Montreal.
Perrin, J. V., Brown Corp.
Platt, Miss Muriel, Dept. of Industrial Cellulose, McGill University, Montreal.
Plow, J. F., Engineering Institute of Canada, Montreal.
Paquet, A., Dept. of Industrial Cellulose, McGill University, Montreal.
Read, D. E., Int. Paper Co., Gatineau.
Stephenson, J. N., P. P. Magazine, Gardenvale.
Spencer, H. S., H. S. P. Mills, Beauharnois.
Simpson, A. W., C. I. P. Co., Gatineau.
Sorgius, H., Canada P. & P. Corp.
Scarth, G. W., McGill University.
Sargent, P. A., C. I. P. Co.
Stadler, J., Montreal.
Sutherland, J. W., C. I. P. Co.
Smith, Peter, Three Rivers.
Tomlinson, G. H., H. S. P. Mills, Montreal.
Tomkins, J., C. I. P. Co., Hawkesbury.
Thorne, C. B., C. I. P., Hawkesbury.
Taylor, J. Ellis, Howard Smith Paper Mills, Cornwall.
Walker, W. J., Int. Paper Co., Gatineau.
White, H. H., C. I. P. Co.
Rivilen, F., C. I. P. Co.
Walker, C. W., C. I. P. Co., Three Rivers.
Wang, Wigmund, C. I. P. Co., Hawkesbury.
Webster, R. C. P., Montreal.
Wiggett, W. F., Eddy Co. Ltd., Hull.

NEWSPRINT MAKERS FACE TRYING TIMES IN IMMEDIATE FUTURE

(Continued from page 29)

publishers made it a foregone conclusion that production would be off. On top of that output in 1929 was influenced to some extent, owing to the water shortage in American pulp mills, which necessitated substantial importations from Canada.

Fine Paper Trade Slack

Turning to the fine paper branch of the industry, one finds a different situation. Activity in this section depends almost wholly upon business activity within the Dominion. While a certain proportion of the production is exported, the major share of the output is disposed of in the Canadian market.

The decline in business activity early in the year and continuing throughout 1930, naturally had the effect of limiting the demand for fine papers of all grades. Accordingly the principal producers had of necessity to limit their operations to fit the lowered demand.

Board Mills Hit

In the paperboard section, a condition similar to that in the newsprint industry, is found, namely, installation of too much equipment. Demand for paperboard products in this country has shown a rapid increase, but the gain in consumption was not sufficient to keep pace with the increased installations. Consequently, mill operations had to be lowered, which resulted in the non-operation of a lot of expensive equipment.

One of the larger producers, namely, Canadian Paperboard, had to go into receivership. This company owns four plants, but only two are being operated at present. While this is the outstanding example, other companies have not escaped the consequences of over-production.

Newsprint Gives Concern

Considerable concern is being given to the leaders of the pulp and paper industry and investors generally, and the unhealthy situation in the newsprint industry. Production last year totalled 2,499,631 tons, as against 2,728,827 tons in 1929. The output last year was the second highest ever recorded.

But while this showing would outwardly indicate a healthy state of affairs in this branch of the industry, such is not the case. In the past decade the demand for newsprint has increased at an unusually rapid rate. Most of the demand came from American publishers.

American mills could not keep pace with the growing needs of their own market, and it was necessary to turn to Canada to augment the supply. Consequent upon this action established mills largely increased their production, while new mills came into being. From a rating of 4,599 tons daily at the beginning of 1924, the Canadian mills have increased their productive capacity to 11,940 tons at the beginning of 1931.

It was in 1926 that Canadian newsprint production equalled that of the United States. Since that time, however, output has moved ahead rapidly and now far outstrips that of the mills across the border. As in those days and as now, however, the Canadian mills depend upon the United States to absorb the major share of their output.

The present troubles of the industry first came to the attention of the public back in 1928, when there was a mad scramble for contracts and the cutting of prices. Steps were then taken to put a number of the mills on pro rata basis in respect to business secured. This had a temporary beneficial effect upon operations.

Mill Operations Low

In the last two years, however, new installations of a substantial character have been made without due consideration of market considerations. The result has been that December last the Canadian newsprint mills operated at 59.5 per cent of daily rated capacity—the lowest ever recorded.

This figure does not reveal the fact that members of the Newsprint Institute of Canada (which organization was formed in 1928 to distribute the business on a pro rata basis among Abitibi, Canada Power, St. Lawrence, Price Bros., Backus-Brooks and a few smaller mills) operated at much under that figure. This was due to the fact that "independent" mills, such as Canadian International, Mersey Paper, Ontario Paper, Spruce Falls, Powell River, Pacific Mills, etc., operated at or near capacity.

Financial Position Impaired

When it is considered that under the present capital set-ups of some of the larger producers, it is necessary to have the mills operating at about 80 to 85 per cent of capacity, at present prices, in order to cover fixed charges, it is only too obvious that their financial position has been impaired.

Steps have been advocated to better this situation. These include the prohibition of new installations until demand overtakes present rated supply; cutting down of capitalization in line with current earning power; and the consolidation of the principal eastern Canadian producers and the closing down of high-cost, obsolete mills.

Negotiations toward a consolidation have been going on for some time. While progress has been made toward that end, no definite agreements have been arrived at.

As the situation now appears, it may be necessary to enforce a consolidation in order to prevent a breaking down of the present set-up of the industry.

Outlook Not Promising

As conditions stand, there is little or no possibility of securing a price increase for newsprint in possibly the next five years. That premise being taken for granted, the hope of the producers is to increase operations through the receipt of additional orders.

The latter is dependent upon the volume of advertising in the American newspapers. Due to the business recession, advertising has been limited. During January advertising linage dropped about 25 per cent, as compared with same month a year ago. As most of the advertising schedules for the first half of the year have already been made up, it is apparent that the newspapers will not need as much newsprint as in the first half of 1930, judging by the returns for January.

Anticipate Poor Year

Even if business picks up and advertising is carried on on a wider scale, it will be late fall before the change is noted in the demand for newsprint. Accordingly production of newsprint for 1931 is expected to be lower than in the past year.

This means that the newsprint producers will have to carry on for a year or more upon the present low operating scale. Unless steps are taken to remedy the situation, some of the manufacturers will undoubtedly find it difficult to pull through.

With these problems on its hands, the pulp and paper industry faces a year fraught with importance. Many changes are likely to take place, whether for better or worse, remains to be seen. Faith in the industry, however, is unbounded. There is no doubt that the troubles will be overcome one way or another and the industry again put on a profitable basis, but such a desirable outcome will take time.

Newsprint Industry Has Rapid Growth

In the past decade Canada's newsprint industry has shown a more rapid growth than any other single industrial activity in the Dominion. From less than 1,000,000 tons in 1920, production of newsprint increased to over 2,700,000 tons in 1929. The total for 1930 was a few tons short of 2,500,000 tons.

The bulk of newsprint manufactured in Canada is exported to the United States but there has been a growing tendency toward increased shipments to other countries. Between 1920 and 1930 exports to the United States have increased from 669,996 tons to about 2,000,000 tons each year. At the same time shipments to other countries have risen from 91,594 tons to about 300,000 tons in 1930.

Oldest Colony Makes History in Newsprint

Newfoundland was the only country in North America to produce more newsprint in 1930 than was the case in 1929. In the past year the two mills in the Colony produced 287,259 tons. This was about 32,000 tons higher than the previous year and the best in the history of the industry.

Newsprint manufacture in Newfoundland is of comparatively recent origin. Two mills have been established, one by the Rothermere interests and the other by the Armstrong-Whitworth Co. The latter was taken over by International Paper and Power Co. in 1927 and production facilities were increased.

INDUSTRY'S PROBLEMS SUBJECT TO SOLUTION BY CLOSE TEAMWORK

(Continued from page 29)

ation here, where an excess capacity has also been developed during the past few years. The manufacturers are making a sincere effort to cooperate and hopes are entertained that, with the reorganization of the Section, more stable conditions will result.

The situation in the various other branches of the industry, those engaged in the manufacture of coated paper, felt, waxed papers and others, will be gathered from the reports submitted by the chairmen of the different sections.

No Branch Escaped

It will be seen that no branch of the industry escaped from the effects of the general depression and few regrets will be felt at the passing of the year 1930. There is, however, a feeling that the worst is over and there are slight indications of an improvement. On the threshold of the new year we cannot but feel that a country such as ours, possessed of such vast natural resources and with a virile population, is bound to make progress in spite of checks from time to time which add to the sum of our experience.

The Pulp and Paper Research Corporation last year reported the completion of the Research Institute Building and of the major part of its task. Meetings of the corporation have been held during the year, and as will be seen by the annual report of its chairman, all obligations with regard to bond interest and sinking fund requirements have been met.

The reports of the Joint Administrative Committee, the Pulp and Paper Division of the Forest Products Laboratories of Canada and the Department of Industrial and Cellulose Chemistry of McGill deal with the work that is being carried on in the Research Institute. I would earnestly urge all members of the association to study these reports carefully and make themselves familiar with the work that is being done here. The organization and the programme of operation are now well rounded out and I feel that the work of the various departments will be of great benefit to the industry at large. Such work, however, requires the whole-hearted support and co-operation of every member of the association in order that it may be of the utmost benefit to the industry.

Technical Section Progresses

The Technical Section, as shown in the annual report of the chairman, R. A. McInnis, has made definite progress during the year and there was a noticeable increase in membership, in spite of a number of resignations due largely to members severing their connection with the industry. A successful summer meeting was held and was productive of good results. The appointment of O. F. Bryant as technical secretary is a step in the right direction and it is felt that the work of the section and its inter-relation with the research work being carried on in the Research Institute is now on a well-established basis.

The Woodlands Section, under the chairmanship of J. D. Gilmour, reports a year of progress and gives proof of work directly benefitting the industry. A number of valuable studies were completed or brought nearer to completion during the year and new studies were initiated. Such work is especially valuable in existing conditions and should be encouraged by the hearty co-operation of all concerned. Wood is the basic material of our industry and all work done in investigation and research along the lines on which the section is working cannot fail to bring a reward in increased efficiency and reduced costs of logging operations.

Help From Government

It is with pleasure that I record the assistance given to the industry during the year by the Dominion government. The series of letters published in the public press by the minister of trade and commerce has done a good deal to arouse the interest of Canadians to the importance of buying made-in-Canada goods, a policy which is conducive to our own prosperity. The book and writing industry has received assistance through the elimination of the drawback on paper imported for certain classes of publications and through the amendments to the Customs and Tariff Acts in relation to valuation and dumping. The association has also submitted to the government a brief on the revision of the tariff applicable to the industry and it is hoped that our suggestions and recommendations will receive favorable consideration.

In conclusion, I would feel remiss in my duty as president of the association if I did not urge upon the members, particularly during the trying time through which our industry is passing, the cultivation of the utmost confidence and the exercise of whole-hearted co-operation. Every branch of the industry has its difficulties and no one branch can live by itself. A long pull, a strong pull and a pull all together is what we need today, and in the measure of team-work and co-operation that is put forth shall we make our problems easier of solution.

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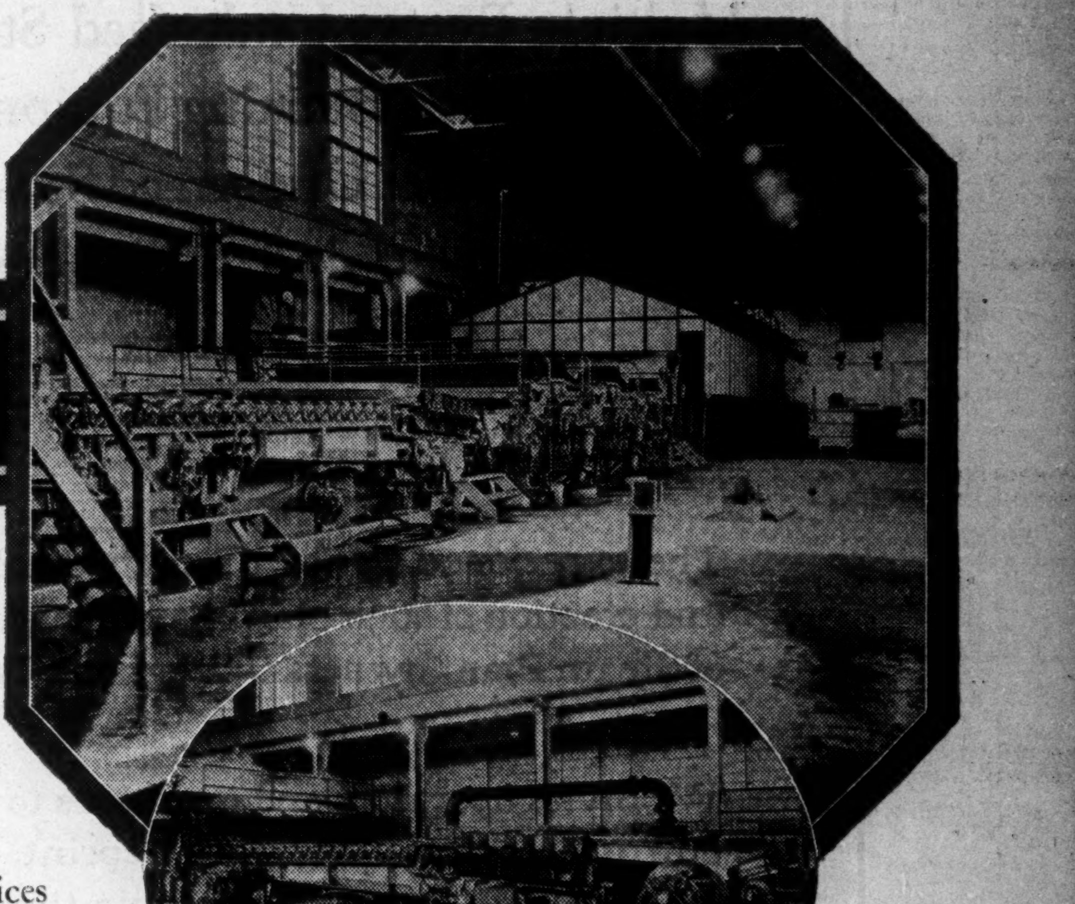

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LOWER COSTS DOMINATES OPERATIONS

(Continued from page 29)

the contractors in its ability, then and then only can the costs be reduced to a minimum.

The information supplied by an appraisal cruise is necessary for the establishment of a fair contract price. When the field data from an appraisal cruise is analyzed in conjunction with records of past operations an accurate operating cost and fair contract price can be determined for an operation in any similar type of forest.

Before commencing an appraisal cruise, the cruiser should know generally, what method will be used to extract the wood from the area. If the wood is to be extracted by rail, certain data affecting spur line location, construction and logging to spur lines must be collected. If the wood is to be extracted by water, information must be had on driving possibilities and capacity of streams, dam sites, and glance boom, side boom, storage reserve and other improvements necessary. The cruiser should put himself in the position of the operator who will be responsible for logging the area and collect all the data required for an efficient operation. He should also put himself in the position of the Logging Control Superintendent who appraises the area and sets the contract price. By doing this the result will be a complete picture of the area for guidance in operating, control and management.

Field Information Needed

To get a clear picture of an area, the logging chance presented and the price at which it should be contracted, the following information should be collected in the field.

I. Timber:
- (a) Type—virgin or otherwise, green or burned, age.
- (b) Density — number of trees and volume per acre.
- (c) Size—diameter, height, limbiness.
- (d) Mixture.
- (e) Windfall.
- (f) Soundness.
- (g) Log run per cord.

II. Topography:
- (a) Flat, rolling, rough or mountainous.
- (b) Streams, width, depth, direction, current.
- (c) Gullies, width, depth, direction, current.
- (d) Ridges, hog backs, rocky outcrops.
- (e) Slopes, per cent grade.

III. Ground Cover and Bottom:
- (a) Bottom—wet or dry, clay, sand, rocky.
- (b) Brush, light, medium, dense, species.
- (c) Reproduction — species, age, density, growth.

IV. Haul:
- (a) Distance.
- (b) Grade.
- (c) Grading and bridging necessary.
- (d) Haul method — hot-log or skid and haul.

V. Landings:
- (a) Skidways or jammer.
- (b) Character of ground.
- (c) Clearing necessary.

VI. Camps:
- (a) Sites.
- (b) Water supply.

VII. Accessibility of Location:

VIII. Map:

Detailed Map Required

No forest survey is complete without a detailed topographic and forest type map. While the estimate and logging notes are being collected on an appraisal cruise a map on a scale of 500 feet to the inch should be made. The map should be completed in the field and sent to headquarters office to be traced. While being traced figures should be added to indicate the timber estimate and various densities for each distinct type. On this map similar stands of timber having a pronounced difference in density or size should be treated as distinct types.

The map should present a complete picture of the area in such form that it can be readily understood and so that proposed roads and spur lines can be located thereon without further field examination. With a few exceptions all of the information collected on the cruise should be on the map. The boundaries of all timber types should be accurately shown. All streams and gullies should be shown with width and depth, and current and direction of flow indicated. Location of slopes should be shown by arrows and per cent. grade noted. Small ridges, hog backs, rocky outcrops must be properly located and the nature of hardness of bottom indicated. As a further aid to superintendents, jobbers, and controlmen, areas of small dense timber ideally suitable for cutting and bunching, stands of medium sized timber suitable for either cutting and bunching or hotlogging patches of large scattered timber on soft ground and suitable only for hotlogging, and areas of large timber on hard ground suitable for skidding should be shown.

A map having all the above detail will be of immense value to the Chief of Control in appraising the area, to the superintendent in charge of operation, to field controlmen in mapping the progress of the cut and for silvicultural control after the area is logged.

On completion of the field work, compilation of timber estimates, and the map, a logging report should be drawn up for each separate and distinct type or stand of timber. This report should treat in detail all information essential to operating and enlarge on all data shown on the map.

Cover Logging Report

The logging report should show for each stand of timber: description of stand; location with reference to topography; area in acres; volume per acre; total volume, timber density, size, log run, merchantability, limbiness, and windfall; method of logging most adaptable to stand; reproduction present with description of species, age and growth; topography with particular emphasis on gullies and on extent, direction and per cent slope; drainage and its effect on bottom; haul; landing; camp sites; and accessibility.

Report and estimate by types is necessary inasmuch as a logging chance or contract area may include several types and the information available must be accurate for small areas. As volume has a very important bearing on costs of operation it is desirable that it be expressed in such a manner that it is capable of being manipulated for use in subdividing the area. The volume per acre measures the density which has an effect on the cost of cutting, hauling, skidding, road and landing construction. Inaccurate volumes (overruns and under-runs) seriously affect the final cost of an operation as compared to the appraised cost by raising or lowering the cordage over which certain non-elastic costs are spread. The average diameter and height of trees and particularly log run per cord are important inasmuch as they have a tremendous effect on cutting and hauling costs.

Individual types are treated separately inasmuch as the road plan, as well as cutting cost, hauling cost, road construction and maintenance costs, and landing construction costs are affected by types. Very accurate type lines are therefore necessary.

Unless the area is to be re-examined by the appraiser previous to laying out the operation, a very detailed topographical description is necessary. The extent, direction and per cent of slope; size, depth and width of streams; length, width and depth of gullies; stream and gully crossings; swamps, hills and rock outcrops, all have a very important influence on the location of main transportation routes and on the method and cost of operation.

When the cruisers have finally completed, the compilation of the estimate, the map and the logging report, there should be available a complete picture of the total area, understandable by superintendent, controlmen and jobbers alike. With all this information available the Superintendent of Control is in a position to make an appraisal of the area and establish a fair contract price for each logging chance without necessarily re-examining the area.

The primary step in making an appraisal, is the division of the gross area into logging units or chances. This division cannot be made until the main transportation arteries (spur lines and roads) are located. These must be planned to economically serve the gross area at balanced costs. After studying the logging report in conjunction with the map on which are shown all types in relation to topographic and cultural features, the appraiser can sketch on the map the location of proposed transportation routes. These routes can later be checked and blazed on the ground.

Practical Experience Essential

Most of the present day cruising is done by trained foresters who have had little or no logging experience. The most suitable men to make an appraisal cruise are men with logging experience. Further, the Superintendent who is to be responsible for the logging operation on a given area should very materially assist in the making or direction of the cruise.

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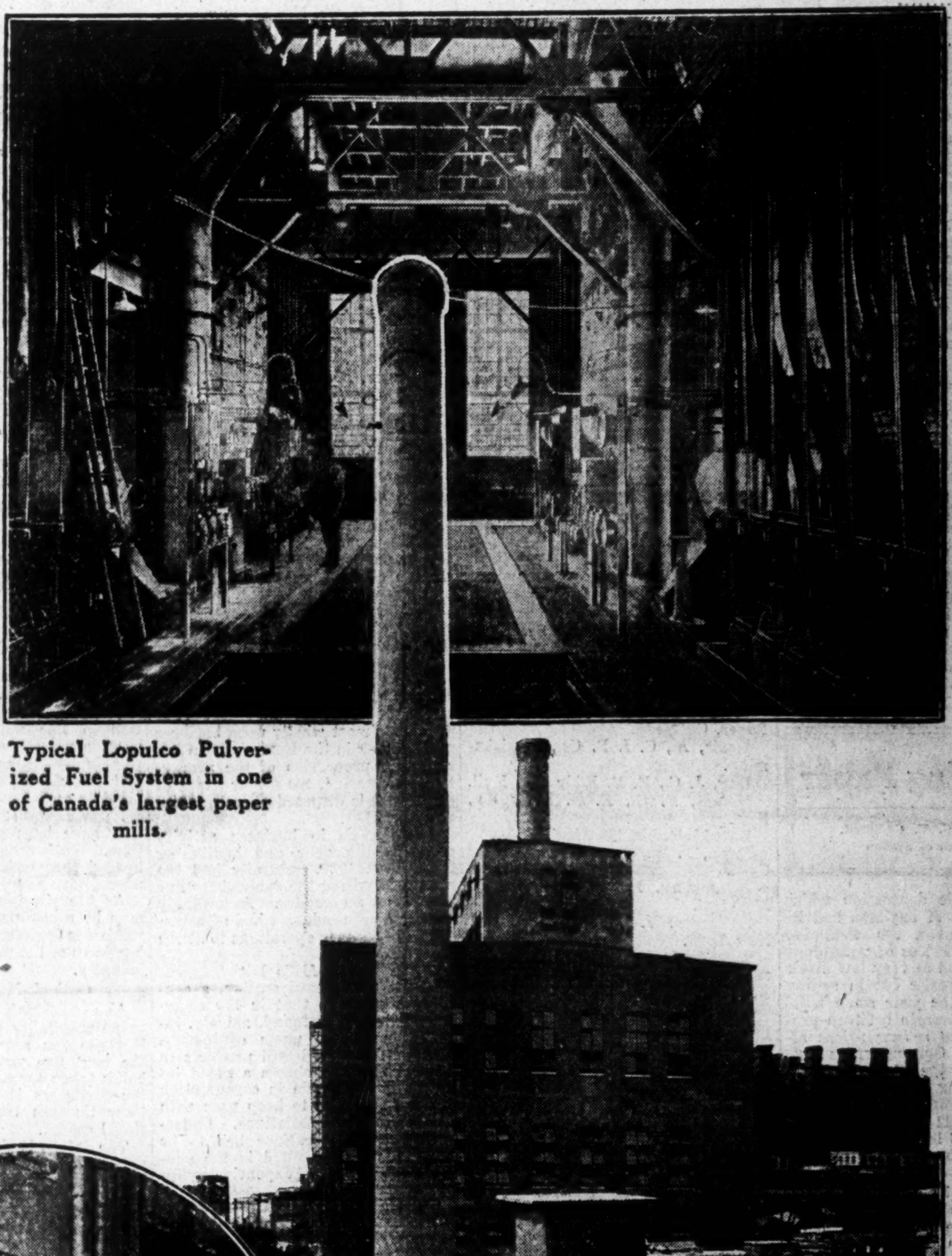
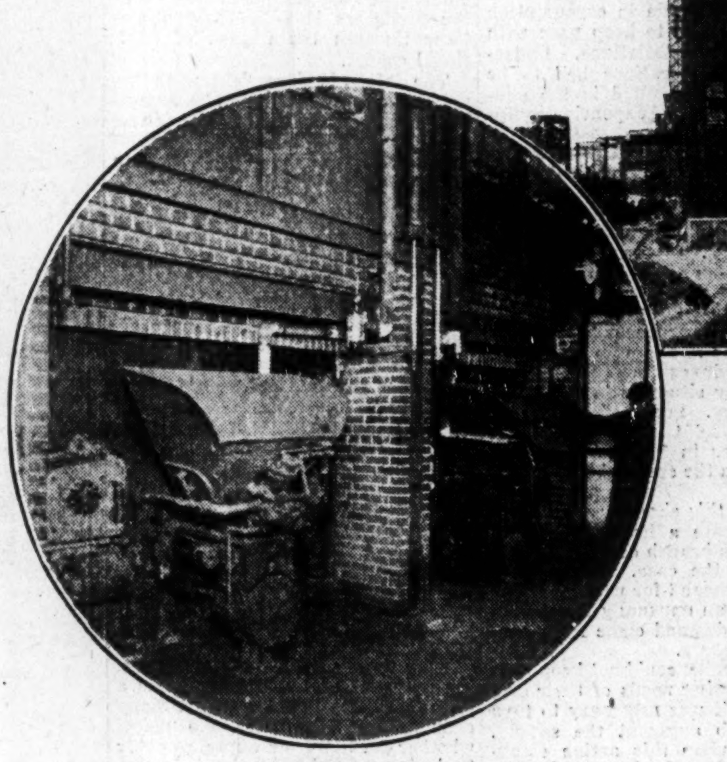


Typical Lopulco Pulverized Fuel System in one of Canada's largest paper mills.



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